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Cuba

Deteriorating Cuban-USSR Relations Viewed

PA1909185891 Paris AFP in Spanish 0954 GMT 19 Sep 91

[Report by Alfredo Munoz-Unsain]

[Text] Havana, 19 Sep (AFP)—Considering the deterioration of Cuban-USSR relations, worsened by the recent announcement by Moscow on the withdrawal of part of its troops from the island, the silence of the Cuban Government does not disguise its displeasure, disappointment, and bitterness.

In a meaningful silence, the Foreign Ministry avoided until now commenting on the visit of Soviet Deputy Foreign Minister Valeriy Dmitriyevich Nikolayenko to prepare for the talks on troop withdrawal.

Nikolayenko, then director for Latin America of the USSR Foreign Ministry, was in Havana last December, and President Fidel Castro received him in his office. Shortly afterward, the Soviet official commented that the time had come for direct contacts between Cuba and the United States.

He now has an almost "mission impossible, observers felt, pointing out that topic, which is especially irritating for the Cuban Government, is beyond the purview of a deputy foreign minister.

The troops to be withdrawn belong to a combat brigade stationed since the "missile crisis" (1962) as a Soviet guarantee that the commitment of the United States made on that occasion of not attacking Cuba would be kept.

According to the Cuban Government, the withdrawal is tantamount to untying Washington's military hands on the island. From this standpoint, the withdrawal announced by President Mikhail Gorbachev, without previously consulting Cuba, amounts to adding insult to injury.

In a statement that Havana regards as something short of unimportant, Soviet Foreign Minister Boris Pankin had said that the USSR wanted "reciprocal steps" of detente from the United States regarding Cuba, chiefly on the Guantanamo Base.

An almost immediate Cuban reaction brought an uncertain factor to the U.S.-USSR deal: Cuba only considers just a parallel withdrawal of the Soviet brigade and the U.S. military from Guantanamo.

In what some observers in Havana view as a negative that creates a triple quagmire, the United States has no intention of leaving that base, according to official sources in Washington.

Moscow cannot "lose face" before Washington, which hailed the Soviet military withdrawal from Cuba, although one cannot imagine how Soviet troops will be withdrawn peacefully from Cuba, if the latter decides to oppose it, some observers commented.

A trilateral crisis is imminent, some diplomatic circles in Havana fear, noting, however, that the long path of negotiations remains open. These sources feel that in the current world context, it will become increasingly difficult for Washington to defend its base in Guantanamo at international forums. The crisis in Moscow-Havana relations, however, existed before that, and Cuba looks at the USSR with dismay. "How can something we believed so completely and beautiful be that way?" a commentator wondered while reviewing the news from the Soviet Union.

For some time now relations with the USSR were "like an AIDS' patient, we were injecting him with interferon to make him last a little longer," a Cuban source confidentially stated.

If the analogy is accurate, and relations are near death, the future for Cubans holds nothing but greater deprivations, shortages, and hardships.

Almost 80 percent of Cuba's foreign trade is done with the USSR, its chief supplier of oil, oil byproducts, fertilizers, wheat, edible fats, timber, cotton, rubber, sheet metal, steel tubes, tin, complete factories, tractors, machine tools, accessories and spare parts, milk, dairy products, canned meat, fish, seafood, and more.

Just in oil and oil byproducts alone, imports totaled over 2.576 billion in 1987, based on the latest figure available (the national currency is at par with the U.S. dollar in the official accounting).

In 1988 the USSR supplied Cuba with sheet metal, steel tubes, and tin for the amount of 210 million pesos and wheat, rice, and corn for 141 million pesos, fertilizers for 89 million pesos, and milk and dairy products for 59 million pesos.

"We know how limited our material resources are and that we will be forced to make truly heroic and superhuman efforts," a long editorial of official GRANMA newspaper stated last week.

The editorial on the Soviet decision to withdraw its brigade was entitled: "Cuba Will Never Accept To Be Surrendered or Sold Out to the United States."

More on Guantanamo Closing, Foreign Solidarity

FL2009121491 Havana Tele Rebelde Network in Spanish 1100 GMT 20 Sep 91

[Text] The United States is determined to remain in the Guantanamo Naval Base in eastern Cuba, according to statements made by U.S. Secretary of Defense Richard Cheney. The statements were published yesterday by the British magazine JANE'S DEFENSE WEEKLY. Cheney acknowledged that the United States is closing bases around the world but pointed out that Cuba is not included in those plans. During the interview the Pentagon chief rejected any possibility of dismantling the Guantanamo base.

Meanwhile, in Quito, the Continental Front of Women for Peace and Against Intervention has rejected the unilateral decision of the USSR to withdraw a Soviet military brigade from Cuba without demanding that the United States end its presence in Guantanamo.

In Chile, LA NACION newspaper stated that the continuing presence on Cuban territory of this U.S. base supports the U.S. policy of dominance over small countries.

Reportage on UN Decision To Discuss Embargo

Alarcon on Discussion

FL1909175491 Havana Radio Rebelde Network in Spanish 1230 GMT 19 Sep 91

[Telephone interview with Foreign Vice Minister Ricardo Alarcon de Quesada by announcer Ibarra from UN headquarters in New York—live]

[Text] [Ibarra] Once again, we are on line with the United Nations in New York. Let us see if he can hear us. Good morning, again.

[Alarcon] I can hear you well now.

[Ibarra] Now, I can hear you perfectly well here in Havana, Cuba. I was asking you—I beg you to pardon us because we had a little problem with the phone lines—what was said in the hallways after the meeting of the organizing committee yesterday which unanimously approved the consideration of the subject requested by Cuba during this 46th period of sessions? Comrade Ambassador?

[Alarcon] I was telling you earlier—unfortunately, it could not be heard because.... [changes thought] As a matter of fact, the difficulties in phone communications are also part of the Yankee blockade. They are a consequence of the restrictions and bans that the United States maintains that prevents us from having a modern and efficient communications system between the two countries. By the way, this is a situation that affects a lot of people aside from the matter of relations between the two governments.

Yesterday's meeting was very interesting. First, all the representatives of all the UN member countries observed the members of the committee who were chairing the assembly. The room was full of people. There were delegates and ambassadors from every country. The interest level was high. I would say that the U.S. attitude was defensive. The United States representative spoke for no more than a couple of minutes simply to let the record show that the country does not agree that the subject should be discussed. At the same time, he said he was not going to make a formal objection. That is, he was not going to try to have this matter subjected to a vote. He did not say it but everyone knows why. The United States would not have had enough votes to defeat the inclusion of the subject. In addition to that, what concerns him the most is that he does not want to discuss it. The only way to prevent the inclusion of the subject would be by prompting an in-depth discussion on whether the subject was going to be included or not.

[Ibarra] What was the argument?

[Alarcon] Excuse me?

[Ibarra] What did the Americans use as an argument?

[Alarcon] As I was telling you, the American's remarks were not more than a couple of minutes long. This was including the usual protocol comments congratulating the president. I tell you this so that you have an idea of the little he said. The only thing he did was complain about what he considered a biased subject presented subjectively. He said it was an insult that the country is criticized by name because the name of the country is used in the title. It was entered like that. He did not even dare to propose to change the title. The title in itself says it all. It shows the need to put an end to the economic, trade, and financial blockade of the United States of America against Cuba. That is, it points out the guilty party by its name and describes the nature of the matter to be discussed and what needs to be done with it, which is to put an end to it. He alluded to that. He pointed out the fact that it is a matter that is a privilege of every country. This is the only argument they always use but it is really an absurd one. It is up to each government to decide whether it has economic and trade relations with another government and not to the United Nations.

Frankly, this is an amusing argument if it was not for the consequences which violate international law in terms of the damages the blockade brings to our country. This is precisely what it is about. Nobody is asking the Yankees to trade with Cuba. We are asking the United Nations to condemn the Yankee policy which consists of attempting to prevent other countries from trading with Cuba and attempting to prevent the normal development of the Cuban trade with other countries. So, each country should have the freedom to choose with whom to deal. The United States has no legal, moral, or political authority to impose on others through pressures, threats, blackmail, and its own laws decisions that they have not made.

The amusing matter is that the U.S. argument is used as though it were a little, poor, weak, isolated country that is being forced to do what it does not want to do. The contrary is the case, since all who were there know the situation existing in their own country, know cases of enterprises that were not able to buy goods from Cuba because they were threatened by the Yankees or enterprises that were not able to sell to Cuba because U.S. regulations prohibited it. Obviously, the argument was false. It had no convincing power.

[Ibarra] Comrade Alarcon, what was your personal opinion after the participation of the various delegates in this meeting held yesterday?

[Alarcon] I am convinced that when the Assembly receives the committee's report, the Assembly's agenda will be approved with no problems. By the way, there were no objections to our request for the matter to be discussed in the plenum and not in a commission. That is, for the matter to be discussed in the most important organ of the Assembly, the one that has the greatest attention. This is where the chiefs of all delegations participate. The request was made for the matter to be treated as a priority. I am sure that the discussion of the blockade issue will be, if not the most important one, one of the most important subjects of this session.

We have already achieved a victory. This is the first step but it is a very important victory which is to assert the validity of the discussion of the matter. The Americans' first strategy was to prevent the matter from being discussed. They cannot achieve this anymore. We went beyond this step. We are in the next phase, organizing the discussion itself. I am sure that the debate is going to be of great importance.

In addition, many delegations approached us and commented on their impressions. They are more encouraged and strengthened because they have seen that, in spite of what they had said officially, in spite of the fact that the State Department on 21 August had said that it was not appropriate for the General Assembly to examine this matter, in spite of the fact that they attempted to persuade others to not agree with the inclusion of the subject, and did not dare to force a vote on the matter—because they knew they did not have enough favorable votes—the subject is there, it is on the General Assembly's agenda this year. Many countries sympathize with us, share the Cuban request, and know the justness of our appeal, feel more encouraged, stronger when they see that—in spite of everything, in spite of the world in which we live at this time, in spite of the immense power of the United States—it is possible to force them to sit down and discuss such a thorny subject for the United States such as the illegal blockade against Cuba.

[Ibarra] Of course, but once that the first battle has been won, the United States is not going to stay with its arms folded. Is that not right?

[Alarcon] Of course, but it will have to prepare itself to see how it explains its policy against Cuba in the substantive discussion of the subject. This is precisely the country that has said, and repeated yesterday, that each country has the right to determine with whom it has trade relations. It is going to explain how it intends to force others to not trade with Cuba and why it has a web of laws, regulations, rules, and mechanisms that are enforced on the entire planet violating the sovereignty of other countries, violating all the international law norms to force others not to trade with Cuba.

[Ibarra] Sure, this leads us to think that the rights are only for them and we do not have rights. Is that not so?

[Alarcon] Of course.

[Ibarra] We thank you very much for your kindness and, if possible, we will try to place a call to you tomorrow so that you can tell us a little more on the development of the sessions.

[Alarcon] Sure, comrade.

[Ibarra] Thank you very much.

[Alarcon] Thank you and greetings to all.

Commentary Views Debate

FL1909140891 Havana Radio Rebelde Network in Spanish 1155 GMT 19 Sep 91

["Our Opinion" commentary read by Orlando Contreras during "Haciendo Radio" program]

[Text] The UN General Assembly will discuss the situation created by the blockade imposed against our country for over 30 years. This was unanimously decided by the organizing committee of the General Assembly's 46th period of sessions.

The United States did the impossible to block the Cuban request but the evidence opened the way. Consequently, the General Assembly, which is the UN's broadest and most representative and democratic forum, will be able to debate the matter and give its opinion on the U.S. blockade against Cuba.

In an attempt to impede the discussion of the blockade, Washington argued, among other things, that the measures implemented against our country three decades ago do not constitute a blockade but an embargo. It also referred to the freedom to choose with whom to trade.

The facts show something totally different. It is a blockade because Washington has not only opposed trade between the United States and Cuba but it has opposed with fury trade between third countries and Cuba. It is known that Washington has banned the entrance to the U.S. market of European industrial products because they had a trace of Cuban nickel. That is, less than .01 percent of the value of the total product.

The so-called Mack Law bans the subsidiaries of enterprises with headquarters in the United States to trade with Cuba. This is a completely imperialistic measure because it attempts to enforce a U.S. law outside its borders even when it is flagrantly violating the laws of the country where those subsidiary enterprises are located and, according to the international public law, are required to follow.

In theory, the United States argues to be an advocate of free trade and more than once it has opposed commercial sanctions motivated by political reasons. In reality, there is no country in the world that has maintained a trade blockade against any nation for such a long period of time for exclusively political and hegemonic reasons.

Part of that political blockade is the prohibition for common U.S. citizens to travel to our country. Only working journalists, working scientists, and obviously diplomats can do so. The mechanic from The Bronx, or the farmer from the south, or the common employee cannot come to visit our country because there are penalties against those who do so.

Can there be talk of the end of the Cold War under this climate? Can the spirit of detente encourage Washington to be a substantiating element of its foreign policy? Where is the pluralism, the tolerance of ideas, and the democratic pursuit that the United States supports? The concrete facts, in our tangible experience, indicates just the opposite. The total blockade for over 30 years against our trade and our economic activity is a real, concrete, substantial fact with real weight, and it is much greater than any rhetoric.

UN Decision Noted

PA1909225091 Havana Radio Havana Cuba in Spanish 1400 GMT 19 Sep 91

[Commentary by Roberto Morejon]

[Text] The UN organizing committee's recommendation for the UN General Assembly to discuss the end of the U.S. economic, commercial, and financial blockade against Cuba is an act of genuine justice toward the island. Cuba had, with a real sense of urgency, demanded that such a discussion take place at that world forum.

Careful steps taken by Cuba and friendly countries were able to weaken the U.S. efforts to avoid discussion of the blockade during the 46th Period of Sessions of the UN General Assembly. The White House tried to justify its stubborn position of opposing any discussion of the inhuman measure by saying that every state has the right to choose its commercial associates.

The U.S. blockade, which has been in effect for 30 years, has affected the Cuban economy to the point of causing losses of approximately $12 billion, according to the National Bank of Cuba.

The first measures implemented against the Cuban economy were the suspension of sugar purchases by the United States and the sudden interruption of petroleum supplies. These two measures were followed by a prohibition of the sale of medicines to Cuba.

In 1983 the U.S. Treasury Department prohibited the importation of Japanese stainless steel products made with Cuban nickel. As of that time, Washington did not buy parts or equipment from other nations if they had Cuban components.

Such obsessive persecution is meant to beat down the Cubans and force them to surrender through hunger. However, the Cubans' initiative, a dynamic foreign policy, and assistance from friendly governments have allowed the island's inhabitants to survive.

After three decades of suffering from the blockade's serious consequences, the Cuban Government proposed the discussion of the problem at the UN assembly, which must finally add it to its agenda.

This decision is a breach in the almost absolute control Washington has on the work of the United Nations as part of the new world order that the United States means to impose on the world following its victory at the Persian Gulf, the fall of socialism, and the increasing cooperation with the Soviet Union.

Foreign Groups Comment

FL2009131291 Havana Tele Rebelde Network in Spanish 1100 GMT 20 Sep 91

[Text] The latest editorial of the Mexican magazine SIEMPRE states that Mexico has not only a moral obligation but also a political obligation to assist Cuba, independent of ideological affinities or differences. The editorial points out that Cuba is a symbol of independence and courage in the face of the insolent, all-embracing power of the United States. The editorial says that Cuba has managed to advance despite the animosity of its traditional enemy and maybe that is what infuriates Washington the most.

The Bolivian Labor Union has declared that solidarity with Cuba constitutes an irrevocable moral duty and has called for other demonstrations of solidarity with the island. Meanwhile, in Buenos Aires, Argentine intellectuals have issued a letter demanding the end of the blockade against Cuba and respect for its sovereignty.

Vietnamese Support Noted

FL1909221891 Havana Radio Reloj Network in Spanish 1932 GMT 19 Sep 91

[Text] Today Cuba's motion to put an end to the U.S. economic embargo imposed on our country for more than three decades has been supported by Vietnam. Vietnam has also stated that the U.S. policy of force will fall into bankruptcy. In response to reporters' questions, a spokesman for the Vietnamese Foreign Ministry said: We are victims of the same embargo, which does not square with contemporary morals and harms all the parties concerned.

The spokesman added that Vietnam understands and supports the just demands made by Cuba because Vietnam has also been a victim of a U.S. commercial embargo for nearly 17 years, since the end in 1975 of the war which was imposed on Indochina by the White House. Vietnamese media have reported on the issue of support for Cuba against the U.S. embargo and the expressions of support for our country concerning that subject issued by various international forums and political groups.

Soviet Embassy Not Commenting on Official's Visit

PA2009025891 Madrid EFE in Spanish 0028 GMT 20 Sep 91

[Text] Havana, 19 Sep (EFE)—Cuba and the USSR are being discreet about the visit of Soviet Deputy Foreign Minister Valeriy Nikolayenko, who will arrive in Havana early 20 September.

"So far, there is no reaction," a spokesman for the Cuban Foreign Ministry, Martin Mora, told EFE.

Soviet Embassy officials claim they have no knowledge of the schedule of Nikolayenko, a 50-year-old Ukrainian, although they confirmed he would arrive within the next few hours.

Soviet Foreign Ministry sources announced in Moscow that the purpose of the high-ranking official's visit is to establish the gradual withdrawal of the military contingent of over 3,000 troops that have remained on the island since 1963.

The same sources said that the deputy foreign minister's agenda includes other issues such as trade and a possible visit to Havana by Soviet Foreign Minister Boris Pankin next October.

Cuba reacted to the announcement of a Soviet withdrawal with a proposal to reach an international agreement that would include the U.S. withdrawal from Guantanamo Naval Base in the southeastern part of the island. The United States has praised Moscow's efforts, but it denied the possibility of a forthcoming evacuation of its troops in return for the withdrawal announced by the USSR.

So far Moscow has not taken a position on the Cuban proposal, but Foreign Minister Pankin said last week that the "unilateral and unconditional" withdrawal of the Soviet troops creates new conditions concerning Cuba.

Nikolayenko traveled to Cuba last April as chief of the Latin American Department of the Soviet Foreign Ministry. This is his second visit this year, which is considered a "transitional" year in bilateral relations.

Havana Notes Parliament's Criticism of Yeltsin

FL2009022791 Havana Radio Reloj Network in Spanish 0102 GMT 20 Sep 91

[Text] Today the absence of Russian Federation President Boris Yeltsin from the opening session of the Russian Parliament, due to his sudden illness, caused varying comments among the the members of parliament. While Russian legislator Vasiliy Kazakov said that Yeltsin has a passing illness, others believe that it was just a pretext to evade an open confrontation with the legislators. Without giving further details, Kazakov told reporters that Yeltsin would return to work in two days at the most. He will then travel to Azerbaijan and visit Nagorny-Karabakh, where ethnic conflicts have been taking place since February 1988.

(Vladimir Lisin), the president of the Parliamentary Commission for Humanitarian Issues, spoke a bit more openly. He said that Yeltsin had violated Russian laws with some of his decrees.

In the last few days the conflict between Boris Yeltsin and members of the Russian Parliament has intensified because of a presidential decree with several mandatory provisions which was issued without considering the legislature's opinion. Yeltsin has nationalized CPSU property, dissolved the party's structures in the state and security organs, and temporarily suspended the operation of some newspapers and press agencies.

The first protests came from some of these media, such as the NOVOSTI and TASS news agencies and the PRAVDA newspaper, which were accused of misinforming the people about the events which took place in August during the coup attempt against Mikhail Gorbachev. In the midst of this tense atmosphere, Acting President of the Russian Parliament Ruslan Khasbulatov today described Yeltsin's decrees as a delicate matter.

PRC Delegation Visits Agricultural Centers

FL2009010791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Sep 91

[Text] An extensive schedule of activities was carried out today by the high-ranking Chinese delegation that is visiting us headed by Yang Rudai, a member of the Politburo of the Chinese Communist Party [CCP]. In the morning, the delegation [words indistinct] microjet irrigation at the 30 November Enterprise in Guines, where they were met by Victorino Lemus, the party first secretary in Havana Province. Afterwards they visited the Valle del Peru Genetic Plant.

In the afternoon, the Chinese delegation visited the La Guinera area in Arroyo Naranjo Municipality. Ricardo Penalver, the first party secretary in that muncipality, and Josefina Bocur, the chief of the minibrigade for social projects in La Guinera, explained to the guests how the brigades are organized for building housing by the residents themselves. Later the visitors heard about the experiences of community doctors. Yang Rudai expressed interest in the organization of primary health care in our country and spoke with specialists at the Parraga Teaching Polyclinic.

Finally, the CCP delegation visited the Biotechnology Institute, where they heard in detail about the characteristics of the center. Institute Deputy Director Dr. Carlos Mella accompanied these representatives of the Chinese people, who have been in our country since 16 September.

Santiago Buildings Ready for Party Congress

FL1909174791 Havana Radio Progreso Network in Spanish 1625 GMT 19 Sep 91

[Text] The Heredia Theater of Santiago de Cuba and other buildings that are to be used during the Fourth Communist Party of Cuba [PCC] Congress in October have been declared ready to welcome the important event. The congress organizers have specified that last Sunday's provincial party assembly, held in the theater, served to test the diverse audio and lighting systems and to finalize all details in anticipation of the PCC congress.

Other structures ready for the congress are two 12-story buildings, which will be used to house the delegates, and a service complex.

Castro Diaz-Balart Attends IAEA Meeting

FL2009010691 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Sep 91

[Text] Cuba has been elected vice president of the 35th General Conference of the International Atomic Energy Agency [IAEA], which is being held in Vienna, Austria. High-ranking government representatives from 90 member states are attending the meeting. The opening session included greetings from UN Secretary General Javier Perez de Cuellar. The Cuban delegation is headed by Fidel Castro Diaz-Balart, the executive secretary of the Cuban Atomic Energy Commission.

Antigua and Barbuda

Ministry Reorganizes Public Information System

FL1909135591 Bridgetown CANA in English 1314 GMT 19 Sep 91

[Text] St. John's, Antigua, Sept 19, CANA—Newly appointed Antigua and Barbuda Information Minister John St. Luce has named Dave Looby to the new post of director-general of broadcasting and public information media agencies. A government release said the appointment of Lobby, a University of the West Indies (UWI) mass communications graduate, was part of a "first step in the comprehensive re-organization of Government Information Services (GIS)."

The release said Looby, who has been associated with the local media for more than 20 years, brought a wealth of experience and expertise to the position. Looby will be the chief technical officer in the Ministry of Information, responsible for the operations of the radio and television services, the administration of the government information and media services, management of news and current affairs, engineering and technical services, the research and documentation unit, and the sales, marketing, and commercial departments. Directors to head the respective departments will be named shortly.

Prior to his appointment, Looby was attached to the Ministry of Education as director/education consultant, dealing with the development of an education broadcasting unit and the proposed implementation of a school's broadcasting system by the Government of Antigua and Barbuda and the United Nations Educational Scientific and Cultural Organization (UNESCO).

Last month, shortly after he rejoined the government from which he resigned six months ago, St. Luce said he was revamping the government's information system for the socialization and educational development of Antigua and Barbuda.

Bahamas

Panama's Noriega Bribes Passed to Pindling

FL1909122191 Bonaire Trans World Radio in English 1130 GMT 19 Sep 91

[Text] A top tourism official in the Bahamas has demanded that he be allowed to testify in the on-going trial of deposed Panamanian leader Manuel Noriega. Mr. Cordell Thompson says he wants to clear his name following accusations that surfaced yesterday that he allegedly passed drug bribes to Bahamian Prime Minister Lynden Pindling. Meanwhile, the trial continues in Miami, Florida.

Dominican Republic

Venezuela Presents Alternate Oil Payment Plan

FL1909182791 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 19 Sep 91

[Text] The Venezuelan Government has formally presented a counterproposal to the Dominican plan for payment of the multi-million oil debt of the Dominican Republic. The Venezuelan proposal was personally delivered to the Dominican Government by Mr. Celestino Armas, Venezuelan minister of energy, mines, and oil. The Venezuelan minister and his delegation are visiting the Dominican Republic in response to the recent visit to Caracas of high-level Dominican officials.

The Dominican debt to Venezuela amounts to $156 million. Both countries are searching for ways to settle the compromise. The Venezuelan minister affirmed that progress has been made toward a negotiated solution which will be announced soon. Yesterday, Mr. Armas visited the National Palace to deliver Venezuela's counterproposal to President Balaguer.

* First Half Economic Activity Reviewed

91CA0218A Santo Domingo LISTIN DIARIO (SABADO ECONOMICO) in Spanish 10 Aug 91 pp 1-4

[Article by Andres Dauhajre, Jr., and Elizabeth A. Riley]

[Excerpts]

Inflation

The rate of inflation during the first half of 1991 collapsed, compared to the same period of 1990, when it reached 100.7 percent. During the first six months of 1991 and compared to the level of the consumer price index in December 1990, the cumulative inflation rate was only 0.18 percent, one of the lowest levels in the world.

This sharp drop in the inflation rate reflects a radical change in the economic policy of the government, a change which was initiated in August 1990 with the elimination of the principal, generalized subsidies prevailing in the economy and, in particular, the subsidy on the consumption of fuel. These subsidies had formerly led to large, unscheduled emissions of currency by the Central Bank which, in turn, unleashed strong, inflationary pressures. The unscheduled emissions disappeared during the first half of 1991, and inflationary pressures have also gone away with them. Statements which charged that the desire for wealth, hoarding, and speculation by businessmen and merchants were the cause of the inflation which eroded the purchasing power of the Dominican people have also disappeared. The cause of the inflation was the unscheduled emissions of currency and not speculation. President Balaguer has proved this by radically changing his economic policy.

Nevertheless, the decline in inflation has been extremely sharp and might be reflecting a pronounced, economic contraction of an extreme kind, as we will see below.

Indicators of Recession [passage omitted]

Sales of rum fell by 19.3 percent during the first half of 1991, compared to sales during the first half of 1990. Sales of beer fell by 9.0 percent, as did sales of cigarettes. The production of cigarettes fell by 14.9 percent. Sales of cardboard boxes fell by 15.0 percent.

Insurance premiums fell by 20.9 percent, while column inches of advertising placed in the nine newspapers in the country fell by 20.8 percent. The relationship between the loan portfolios and total deposits in the commercial banks (not including the banks which at some during the period closed for a bank holiday) fell by 11.0 percent during the first half of 1991, compared to the level of December 1990.

Another, interesting indicator is expenditures by the people on lotteries and soccer pools. Whereas in the period from January to June 1990 the people spent 417.8 million Dominican pesos on the purchase of lottery tickets and soccer pools, during the first half of 1991 they spent 526.0 million pesos. Although in nominal terms this indicates an increase of 25.9 percent, in terms of real expenditure, using the consumer price index, expenditures declined by 34.5 percent.

Collections under ITBIS [the General Sales Tax], an indicator which brings out how sales in general have been in the country, declined by 21.4 percent in real terms, while total tax collections fell by 22.6 percent. This major decline in general sales tax collections makes it possible to see that the recession is not just affecting a few industries but rather the majority of the economic groups in the country.

The electricity sector is one of the few which showed appreciable growth during the first half of 1991, with an increase of 10.2 percent. This increase was due in part to the greater availability of electricity, with the entry into operation of some generating plants which had been out of service; to the increased allocation of funds by the government to the CDE [Dominican Electricity Corporation], which made it possible for the company to increase imports of fuel; increased generation of hydroelectric power by the dams, thanks to the heavy rains; and the increase in CDE income as a result of a more aggressive collections policy, which improved the financial condition of the company. We should keep in mind that this increase took place due in part to the major uncertainties which characterized the national electrical system during the first half of 1990. Central Bank authorities had forecast a zero increase in Gross Domestic Product [GDP] for 1991. Nevertheless, everything seems to indicate that during the first half of 1991 GDP fell between 4 and 5 percent, which leads to the forecast that GDP will again decline in the last half of 1991 by 2 or 3 percent, assuming a mild recovery during the second half of the year.

Money in Circulation

Money in circulation or the money supply, defined as the sum total of paper currency in the hands of the public, plus sight draft deposits in commercial banks, was reduced by 3 percent during the first half of 1991, compared to the figure at the end of 1990. This decline in money in circulation reflects the monetary contraction caused by the policies of the Central Bank.

Issuance of Money by the Central Bank

The issuance of money by the Central Bank increased from 6,376.8 million pesos in December 1990 to 7,829.6 million pesos in the month of June 1991. This reflected an increase of 1,452.8 million pesos, or 22.8 percent. This figure might give the impression that the government followed an expansive monetary policy during the first half of 1991. Nevertheless, this was not the case. [passage omitted]

The category of overall currency issuance which increased during the first half of 1991 consisted of deposits by commercial banks with the Central Bank, which rose from 1,888.0 million pesos in December 1990 to 3,710.2 million pesos in June 1991, a rise of 1,822.2 million pesos or 97 percent. However, this component amounted to a contraction within the definition of currency issuance by the Central Bank, as the deposits which the commercial banks maintain in the Central Bank are considered legal reserves. This development makes it possible to see that the problems of reduced reserves which the commercial banks reflected at the beginning of 1991 have disappeared.

External Debt and Demonetized Pesos

The central government deposited 218.9 million pesos for the payment of the public, external debt during the first half of 1991. This amount was less than the 329.9 million pesos deposited with the Central Bank during the first half of 1990 for this purpose. Nevertheless, this decline was more than compensated for by the pesos turned over by the central government to the Central Bank to remove them from circulation. Whereas during the first half of 1990 no money was turned over to the Central Bank for this purpose, 550 million pesos were turned over during the first half of 1991. To this total should be added the pesos paid by the Dominican Petroleum Refinery to the Central Bank and the Reserve Bank to cover part of the debts incurred during 1990. During the corresponding period, between 1 December 1990 and 30 April 1991, the petroleum differential produced 766.7 million pesos, of which 208.4 million pesos were delivered to the Central Bank to pay part of the pending debt of the Refinery to the Central Bank and 83.2 million pesos to the Reserve Bank to cover the debt of the Refinery which originated in a similar way. The balance was part of the 550 million pesos which the government removed from circulation and placed in the special account called "Budgetary Reserve." This effort by the government has borne fruit in terms of prices and exchange rate stability, which was realized during the first half of 1991.

Loans and Deposits in Commercial Banks

During the first half of 1991 a decline of about 3 percent was noted in the loans portfolio of the commercial banks, while deposits increased by 9.3 percent. This situation reflects a substantial improvement in bank liquidity, which was achieved at the end of 1990 and the beginning of 1991. Practically all of the private, commercial banks maintain reserves on deposit in the Central Bank. The decline in the loans portfolio during the first half of 1991 was due in part to the high rates of real interest which were recorded with the substantial fall in inflation. This development led many bank customers to cancel their loans. The cancellation of these loans over the past few weeks set off a substantial decline in interest rates on loans, a decline which accelerated when the Central Bank reduced the rate of interest which it paid on certificates of participation from 38 to 24 percent. The declaration of bank holidays, which began at the end of 1991, continued during most of the first half of 1991. The majority of the commercial banks which sought protection by declaring bank holidays have already reopened their doors to the public, although some of them have done so with certain limitations. There has been speculation that some of the pensions granted to officials of the Central Bank had their origin in the delay displayed by some of them in supporting the decision of the monetary authorities to authorize the reopening of some of the banks which were on holiday.

Official and Black Market Rates of Exchange

The official rate of exchange showed a depreciation of 11.5 percent between December 1990 and July 1991, going from a rate of 11.50 pesos to US$1.00 to a rate of 13.00 pesos to US$1.00. For its part the rate of exchange in the free market went from 13.25 pesos for US$1.00 to 12.79 for US$1.00, reflecting an appreciation in the peso of 3.6 percent. Regarding the rate of exchange in the months of October 1990 and February 1991, when it averaged 15 pesos for US$1.00, the appreciation amounted to 14.7 percent. The substantial contraction in the money supply, the elimination of automatic issuances of currency, and the strong recession joined to produce this result.

Exports of Goods

Exports of goods declined from a value of $351.4 million during the first five months of 1990 to $315.9 million during the first five months of 1991, a drop of $35.5 million, amounting to 10 percent of the total. This development brought out a growing dependency on the generation of foreign exchange from tourism and the free industrial export zones. The principal declines affected exports of sugar, which were $24.6 million less; cacao, $3.4 million less; fish, $3.5 million less; and other, nontraditional exports, $4.0 million less.

Imports of Goods

Imports of goods declined by 14.4 percent during the first half of 1991, dropping to a value of $812.0 million. Since imports are determined in large part by the level of economic activity, this reduction in imports made it possible to see that the contraction of GDP during the first half of 1991 was quite pronounced. It is to be hoped that imports will recuperate moderately during the second half of 1991, to the extent that economic activity makes this possible. The fall in imports, resulting to a major extent from the economic downturn, has been one of the decisive factors in the decline in imports, the stability in the foreign exchange rate, and the accumulation of reserves by the Central Bank. [passage omitted]

Overall and Net Foreign Exchange Reserves

Overall foreign exchange reserves held by the Central Bank increased by $171.9 million during the first half of 1991, while net reserves increased by $47.4 million. This substantial improvement in the status of Central Bank foreign exchange reserves not only will permit the country to meet the goals of the agreement with the IMF [International Monetary Fund] adequately but will also deal a sharp blow to expectations of a devaluation and inflation during the second half of 1991, given the ability to maneuver which the present reserve levels provide to the Central Bank. This substantial improvement in the position of the reserves of the Central Bank was due in large part to the policy of liberalization and the floating of the exchange rate in a context of strict, monetary control.

Tax Contributions of Falconbridge Mining Company

The tax contributions of the Falconbridge Mining Company continued during the first half of 1991 at practically the same level as during the first half of 1990, amounting to about $40 million. Tax collections of about $75 or $80 million are anticipated for 1991, which will allow the government to continue financing with these taxes the import components of public works such as the construction of the Jiguey and Aguacate water reservoirs and the Aqueduct from Valdesia to Santo Domingo.

Tax Collections

During the first half of 1991 government tax collections, including those from external resources but excluding the tax contributions of the Falconbridge Mining Co., increased by 44.7 percent, rising from 3,301.5 million pesos to 4,777.5 million pesos. However, this increase is much less than the change which occurred in the average level of the consumer price index during the first half of 1991, compared to the first half of 1990. Consequently, due to cumulative inflation, tax collections during the first half of 1991 were 22.6 percent less than those during the first half of 1990.

Customs Duty Collections

Collections of customs duties increased by 48.8 percent during the first half of 1991. This increase took place in large part due to the adjustment of the rate of exchange to liquidate ad valorem duties on imports, the use of CIF [Cost, Insurance, and Freight] instead of FOB [Free on Board] values to calculate import taxes, the increase in import valuations ordered by the Customs Bureau, and the elimination of many exemptions from duty under the new customs tariff. It is estimated that the value of imports declined by 14.4 percent during the first half of 1991. However, despite this reduction, collections of customs duties increased. Nevertheless, in real terms the value of taxes collected during the first half of 1991 was 21.8 percent lower than it was during the first half of 1990.

Income Tax Collections

Income tax collections increased by 576.8 million pesos or 53.5 percent, during the first half of 1991, compared to the first half of 1990. In real terms collections declined by 19.3 percent.

Real Public Investment (in 1990 Prices)

During the first six months of 1991 the central government invested in real terms barely half of what it invested during the first six months of 1990. That is, it invested 878.5 million pesos during the first half of 1991, compared to 1,672.0 million pesos during the first half of 1990. This decline in public investment expenditures is attributed principally to the fact that the government allocated a greater proportion of its tax collections to the Central Bank to demonetize part of the currency and to make payments on the public debt, as well as to the fact that it allocated a larger proportion of resources for the payment of the current expenditures of the other government departments.

Collections of Domestic Income

Collections of domestic income increased by 138.6 million pesos or 23.9 percent during the first half of 1991, compared to the first half of 1990. However, in real terms collections declined by 35 percent, as this is the tax collection office which experienced the largest decline after the National Lottery office.

External Resources

Tax receipts from external resources fell by 34.3 percent during the first half of 1991, compared to the first half of 1990, due in large part to the fact that the growing delays in making payments by the country had closed a series of gaps previously available. It is to be hoped that, with the signature of the agreement with the IMF and with the elimination of overdue payments which the government owed to international financial organizations, income from external resources will increase rapidly during the second half of the year. This absence of external resources has been one of the principal determinants of the deep recession which characterized the Dominican economy during the first half of 1991.

Direction of Public Spending

[Passage omitted]

The contributions of the government to the CDE increased by 131 million pesos during the first half of 1990 and by 200 million pesos during the first half of 1991, which reflects an increase of 52.7 percent. This larger contribution by the government, in addition to an increase of 154 percent in the level of CDE sales, has generated a financial situation which is less burdensome for the state enterprise. While the average monthly level of sales during the first half of 1990 was about 80 million pesos, during the first half of 1991 the average monthly level of sales was 203 million pesos. The real contribution by the government is lower than these statistics suggest if we bear in mind that the government pays practically nothing to the CDE for its services. Whereas during the first half of 1990 the government paid 11.3 million pesos to the CDE, during the first half of 1991 it paid barely 1.1 million pesos.

* June Revenues Top 819 Million Pesos

91CA0217A Santo Domingo EL CARIBE in Spanish 31 Jul 91 pp 1, 4

[Text] Yesterday the National Budget Office reported that, of the 819,500,972 pesos accrued by the state during June in the form of national revenues, the most substantial portions were disbursed to the agricultural-livestock, educational, health, and energy sectors.

It added that the revenues from external funds for investment expenses amounted to 21,942,138 pesos; and that investment without external funds totaled 451,014,482.01 pesos.

The text in which the aforementioned office quantifies the state's revenues and expenditures during the period in question reads as follows:

"The National Budget Office, in the interests of keeping the public duly informed of the sums comprising the state's revenues and expenditures for the month of June 1991, makes a general announcement of the details relating to its budgetary activity.

"As the reader may observe, the strategy of the present government, headed by His Excellency, the President of the Republic, Doctor Joaquin Balaguer, calls for outlays of public funds, with essential priorities given to the agricultural-livestock, irrigation, drinking water, energy, monetary, health, and education sectors.

"Given the circumstances currently prevailing in the republic, everything related to agriculture and livestock, water supplies for drinking and irrigation, energy, the demonetization plan, payment of the public debt, and proper heed to the people's demands for health, and the educational system: this entire conglomerate in the public interest, holds an undeferrable priority. Hence, there is a pressing need for taking the most efficient action insofar as the execution of the budget is concerned."

"Nevertheless, it should be noted that, despite the imperative heed deserved by the aforementioned priorities, the higher government, far from neglecting other fundamental aspects of public administration, has also taken them into consideration. And it has adopted the measures most conducive to seeking the most effective means for resolving them."

"During the period cited, the national revenues totaled 819,500,972 pesos; while revenues from external funds for investment expenses amounted to 21,942,138 pesos. Investment without external funds came to approximately 451,014,482.01 pesos."

"The agricultural-livestock, irrigation, and energy sectors benefited from the sum of 131,499,608.27 pesos. The National Institute of Water Resources (INDRHI), in particular, received the sum of 63,588,650.18 pesos for the construction and supervision of the Jiguey-Aguacate dams and the Sabaneta project, as well as the construction of canals, and the repair and maintenance of other dams."

"The Dominican Electricity Corporation (CDE) received appropriations totaling 32,803,555 pesos, to cover various commitments and for the Energy System Rehabilitation and Distribution project."

"Moreover, the Dominican Agrarian Institute (IAD) obtained 9,716,462 pesos to execute various projects, and to finance several agricultural programs. Meanwhile, the Special Fund for Agricultural-Livestock Development (FEDA) received 1,198,826.20 pesos to intensify the programs supporting agricultural production, and for other associated purposes. The Cruz de Manzanillo project was given 1,148,490 pesos for planting various agricultural crops; and the State Secretariat of Agriculture received 20,089,110 pesos to promote and increase agricultural production."

"The National Institute of Drinking Water and Sewage obtained the sum of 19 million pesos for the execution of various projects."

"The Central Bank of the Republic received 15 million pesos for the public debt payment. To contribute to the demonetization program for strengthening our currency, the Dominican Government, headed by Doctor Joaquin Balaguer as president, applied the sum of 101.5 million pesos from the April 1991 revenues. The Santo Domingo Waterworks and Sewage Corporation benefited from 44.7 million pesos for the construction of the Valdesia-Santo Domingo waterworks and other projects.

"Finally, the State Secretariat of Public Works and Communications received appropriations totaling 112,550,636.24 pesos; the Office of State Projects Supervisory Engineers received funds amounting to 33,224,821.27 pesos; and the State Projects Coordination and Inspection Office obtained 7 million pesos. These funds are intended for the execution of projects and programs of economic and social benefit throughout the entire republic. They include housing projects, airports and ports, free trade zones, waterworks, sanitary sewage, highways and local roads, and maintenance of streets and historic monuments."

* July Imports Total $58.9 Million

91CA0217B Santo Domingo EL SIGLO in Spanish (ECONOMIA Supplement) Aug 91 p 1-D

[Text] Imports of goods and services authorized by the Central Bank during July totaled $58.9 million, of which sum $48.5 million represented dollars allocated through the commercial banks, and $10.4 million, foreign currency allocated by the state financial institution.

A Central Bank bulletin issued yesterday notes that, during July 1991, recorded international transactions amounted to $218.1 million, $24.6 million of which related to payments on the Dominican foreign debt.

It also explains that $0.6 million of that amount represented sales of under $5,000. Sales of foreign currency made by the private market totaled $49.1 million.

The bulletin likewise reports that, during the same month, $50.3 million in suppliers' credits was authorized, of which sum $47.9 million was associated with the private market, and $2.3 million, with the official market.

It states that the exemption granted by the Executive Branch for the removal of goods from Customs warehouses, based on a sworn declaration by importers, registered a turnover of $0.6 million.

The bank observes that imports for special development projects charged to the government's special dollar account totaled $14 million during July.

It also explains that, of the total volume of international transactions recorded in July, $104 million related to appropriations made by the Central Bank itself.

In addition to the $24.6 million associated with the debt, the bank allocated $49.9 million for imports of petroleum and by-products, $10.4 million for imports of goods and services, $16.8 million for Central Bank intervention on the private market, and $2.5 million for bank and other expenses.

* Electricity Blackouts Cost 1.1 Billion Pesos

91CA0217C Santo Domingo EL SIGLO in Spanish 13 Aug 91 p 3-D

[Article by Victor Manuel Tejada]

[Excerpt] Barahona—Because of blackouts, the Dominican Republic lost the opportunity to produce an annual average of 1.1 billion pesos during the past five years. This is equivalent to 3 percent of the 1986 gross domestic product [GDP].

That statement was made by the administrator of the Dominican Electricity Corporation (CDE), Ramon Perez Martinez, while delivering an address on energy and development from the standpoint of Barahona. His remarks were part of the seminar entitled "Barahona's Prospects for Development," held in this city on Saturday under the auspices of the Commercial Bank Foundation and the Foundation To Aid the Southwest (Fundasur).

The official claimed that the failure to implement the energy system expansion plans with the proper execution and on time has been a result of administrative discontinuity and lack of financial resources.

He noted that this situation has caused considerable losses for the Dominican economy, owing to the increasing number of interruptions in the electric power supply, and the system's lack of capacity to meet the demand for expansion from industry, tourism, agriculture, and services in general.

He explained that, during the past 30 years, the country's gross domestic product increased 7.9 percent. This figure declined to 2.2 percent during the period 1980-90, whereas the population growth rate was 2.4 percent.

In his opinion, one of the causes for this decline is the fact that the growth rate of electric power production dropped 5.4 percent during the interval from 1980 to 1988. This caused the consumption rate for that power to decline to 2.3 percent.

He declared: "To underscore that situation, it should be pointed out that the historical demand in our country has stood at about 1500 MW, and that for development, at approximately 4000 MW. A large proportion of the latter total is required for the economic development of the southwest region." [passage omitted]

* Falconbridge Exports 34 Million Lbs of Nickel

91CA0217D Santo Domingo EL SIGLO in Spanish 26 Jul 91 p 3-D

[Article by Jose Mercedes Feliz]

[Excerpt] Yesterday, the president of Falconbridge Dominicana, John Clelland, revealed that, during the first half of this year, the company exported 34 million pounds of nickel at an average price of $3.70 per pound.

He claimed that the volume sold conforms to the programming that the company had devised for itself. He added that the shipments have become normal, just as had been expected.

He remarked that there is concern over the effects of the economic recession occurring in Europe and the United States. However, he noted that the sales volume for nickel contained in ferronickel may be described as normal to date.

He admitted that, insofar as prices are concerned, there has been a certain amount of downward movement; indicating that a pound of nickel was recently quoted on the international market above $4.00 per pound, whereas it is currently priced at $3.75.

He explained that the demand for nickel is traditionally lower during this season, but is expected to recover during the fourth quarter, with an improvement in its price.

He declared that the company was operating at full capacity. Hence, it is certain that the 1991 programming, namely, to produce and ship 70 million pounds, will be executed.

He reported that production during the last half-year totaled 34 million pounds of nickel contained in ferronickel: an amount that was exported in its entirety.

He said that slightly more will be produced during this half-year than in the period just ended.

The Falconbridge president commented that exports of 34 million pounds of nickel at an average price of $3.70 per pound fall short of the firm's desires. He claimed that the producers want this price to exceed $4.00.

He stressed that, for any producer to maintain his operations and consider future requirements, the price of nickel must stand between 4 pesos and $4.50.

He does not believe that the recession occurring on the international market has affected demand, although it has influenced the price.

Clelland asserted that the demand for nickel from Falconbridge has remained normal.

He added that the payments made to the government have not been evaluated yet, but will be announced in "Puente Halcon," the company's informational bulletin, as usual.

He indicated that, although the demand on the international market may increase, with the plant available and the deposits being exploited production in future years will be maintained at 70 million pounds of nickel contained in ferronickel.

He emphasized that this is Falconbridge's normal production level, pointing out that it lacks a capacity exceeding 70 million pounds.

On the other hand, he noted that if there is a decline in demand less might be produced; however, producing more would become very difficult. And he reiterated the fact that the firm is currently operating at full capacity. [passage omitted]

* Sugar Production To Reach 325,000 Tons

91CA0217E Santo Domingo LISTIN DIARIO in Spanish (ECONOMICAS Section) 6 Aug 91 p 2

[Excerpt] The director of the State Sugar Council (CEA) claimed that this year's harvest will amount to 325,000 tons, and that the grinding will last until the end of September at the Amistad and Montellano sugar mills.

Juan Arturo Biaggi reported that, despite the obstacles confronted by the CEA, this year the consortium will achieve a harvest exceeding the last one, which totaled 304,000 tons.

The official disclosed that the latest report from the Agricultural Management reveals that the sugar mills have attained a production amounting to 309,073 metric tons of raw sugar, and 50 of refined product.

Biaggi made the statement in San Pedro de Macoris, after a tribute in recognition of the Porvenir sugar mill's administrator, Mr. Alfonso Perez Marquez. The function was sponsored by that sugar mill's cultural committee.

The official reported that, to date, the CEA has ground 3,796,243.65 tons of cane. He said that, at the conclusion of the grinding in the two northern sugar mills, it is expected that over 4 million tons of cane will have been ground. [passage omitted]

Haiti

Preval Names New Foreign, Health Ministers

PA2009022791 Mexico City NOTIMEX in Spanish 0051 GMT 20 Sep 91

[Text] Port-au-Prince, 19 Sep (NOTIMEX)—Haitian Prime Minister Rene Preval today announced changes in the Foreign and Public Health Ministries.

A communique, which was read over the state television station, said that Foreign Minister Denise Fabien Jean-Louis and Public Health Minister Daniel Henrys have been replaced.

The new foreign minister is Jean Robert Sabalat, former president of the Provisional Electoral Council (CEP). Sabalat was appointed Haitian ambassador to France, Switzerland, and the Vatican a few days ago, but the senate did not confirm the appointment because he never presented a report to the CEP when he completed his work there.

The new health minister is Claude Jean-Francois, an orthopedic doctor who lived in Montreal, Canada for several years. Former Health Minister Daniel Henrys had problems with the technical staff in the ministry and there were rumors that he would leave the ministry.

Operating Budget Proposal at 1.6 Billion Gourdes

FL1809210491 Port-au-Prince Radio Metropole in French 1600 GMT 17 Sep 91

[Text] The drafting of Haiti's 1991-92 operating budget was completed last week, an Economy and Finance Ministry source told the Haitian Press Agency. The budget draft, which was discussed and adopted at a cabinet meeting, will be submitted on 24 September to Parliament for approval. The executive will then convene an extraordinary session of the Chamber of Deputies for a vote on the bill. The 1991-92 operating budget amounts to 1.6 billion gourdes. The government expects an equivalent income, with average receipts of 80 million gourdes. [sentence as heard]

The Ministry of National Education, Youth, and Sports has been allocated the largest share of the budget, with a total of 226 million gourdes; followed by the Ministry of Public Health, with 175 million gourdes. The budget of the State University of Haiti has doubled, to 23 million gourdes.

The press release recalls that the 1990-91 budget was 1.450 billion. That budget did not made provision for expenses incurred by the new democratic institutions, namely the Parliament, the Communal Section Administrative Council, and the Assemblies, nor had it allowed for the administration of final examinations or graduation certificates for senior high and primary school students.

PANPRA Official on Negotiations With IMF

FL1709200391 Port-au-Prince Radio Soleil Network in Creole 1300 GMT 16 Sep 91

[Report by Les Cayes correspondent Duperval Ronald—recorded]

[Excerpts] During his visit to Les Cayes over the weekend, Arnold Antonin, the number two man in the Nationalistic Progressive Revolutionary Party of Haiti [PANPRA], stated: In our negotiations with the IMF we cannot simply accept their dictates; we must demonstrate our ability and determination to protect the country's best interests.

The PANPRA official agrees with conclusions drawn by other countries that IMF conditions are often counterproductive, producing particularly disastrous effects on the social front. He listed a number of Latin American and African countries which have already implemented IMF measures with subsequent disastrous results on the social plane because of attendant high costs of living and increased unemployment.

Even though these measures are envisioned on a long-term basis, it is necessary to create a more solid structure for economic growth. Antonin said that IMF measures have had disastrous consequences in all Third World countries and that they could have the same consequences in Haiti because our leaders are not able to negotiate in the interest of the country.

Antonin described the government's policy as nonaccountable and less than open because it has not clearly expressed its position on the IMF question. Antonin fears that our financial officials might accept all of the IMF requirements without taking into consideration Haiti's political situation and history. These factors, he believes, should prevent the government from signing an agreement which would ignore various social aspects. He addressed the need to revamp the procedures for negotiating with the IMF. [passage omitted]

Antonin said that because the government does not treat this question in a focused manner, they cannot take advantage of knowledge available to them. He asserted that because the stance to be taken in negotiation is not clear, no benefit can be anticipated. He said that, in principle, however, the negotiations with the IMF can provide the country with the funds necessary to achieve a number of projects. On the international plane, all sponsors know that if they invest in Haiti, they will have to observe a limited number of financial regulations. The structural adjustment program can be implemented in Haiti to yield a substantial amount of money, Antonin noted, but added that Haiti's greatest financial problem is lack of confidence.

Antonin explained that if the people are united behind the government; if the ministers are intimately familiar with their files; and if they utilize the experiences of other countries by asking the IMF to revise its philosophy because we cannot disregard social implications, then the IMF will eventually have to agree. [passage omitted]

Antonin stressed the need for a new type of negotiations with the IMF in the interest of the poorer countries.

New Party Focuses on Economic Development

FL1809210591 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 18 Sep 91

[Excerpts] A new political party, the Movement for Haitian Economic Development [MDEH], has been created with the goal of promoting Haiti's economic development. An interview with its chairman, Polynice Bastien, revealed that the party's current priority is to explore the problems of education and the high cost of living in Haiti. According to him, the daily minimum wage is not a priority.

[Begin recording] [Bastien] Our party's primary goal is the economic development of the country. Why has the party been created? Because all Haitian political parties focus on pure politics and rarely on economic issues; whereas we believe that the only way to encourage the country's evolution is through economic development. [passage omitted]

[Reporter] Is MDEH not aiming at power?

[Bastien] In principle, political parties usually aim for power, but power is not our ultimate goal. We simply want the people to hear us. In our statements we are practical and consistent, unlike the other political parties whose pronouncements are too often demagogic.

[Reporter] Does MDEH have members all over the country?

[Bastien] We have sympathizers throughout the country because, before the party was created, I personally wrote a pamphlet entitled, Haiti Assumes Responsibility for its Development, which was widely published and which develops the thesis that political parties can apply if they have a say in the matter. [sentence as heard] [passage omitted]

[Reporter] What is your assessment of the country's current crisis?

[Bastien] It depends on which problem you want to address. Yes, certainly. Let us take the problem of salary, for instance. We in MDEH believe that this problem is not being properly addressed because increasing salaries does not reduce the cost of living. Indeed, increasing salaries could result in an even higher cost of living. The real problem, therefore, is not to raise salaries but rather to take political, economic, and financial measures to reduce the cost of living. [passage omitted] [end recording]

Montserrat

Election Campaign Off to 'Slow Start'

FL1809184691 Bridgetown CANA in English 1725 GMT 18 Sep 91

[Report by Wylsie White]

[Text] Plymouth, Montserrat, Sept 18, CANA—The Peoples Liberation Movement [PLM] of Montserrat Chief Minister John Osborne and two other parties seem to have made a slow start to their campaign for a snap October 8 general election. Since the poll was announced in this small British colony Monday, the parties appeared to be placing emphasis on coming up with a slate of candidates.

The National Development Party [NDP] of parliamentary opposition [words indistinct] will field candidates in five of the seven constituencies." [Words indistinct] on Monday and Tuesday, government ministers were in the field. It's not clear who will be running for the ruling party, but sources close to the party say a candidate who was to oppose Osborne had pulled out.

Also expected to contest the election, called after the ruling party lost its parliamentary majority through the resignation of Deputy Chief Minister Benjamin Chalmers, is still to be publicly launched. [sentence as received] It emerged from a group known as the Concerned Citizens Movement.

Following a meeting Monday night, a spokesman said the group had decided on four candidates. Among them is former Chief Minister Austin Bramble, to contest the Plymouth constituency. Bramble lost that seat in 1978, regained it in 1983, and lost it again in 1988.

He told CANA: "Based on the number of people who have been approaching me, I am confident that the majority of people will support me." Bramble is quiting his job as head of the Stamp Bureau to contest the poll.

Former Education Minister John Dublin, who served in the 1978-83 PLM administration, has confirmed that he will contest the poll—but not for the PLM. Dublin charges that the administration headed by Chief Minister John Osbore has shown a lack of management expertise "which is very obvious among government ministers."

"There is no doubt in my mind that I could make a meaningful contribution in this particular regard," he said.

Asked if he thought of realigning himself with the PLM, he said: "I would not have considered that even remotely."

He added: "If you are getting into politics at the point and time of our history, you must align yourself with men who have some form of integrity, and it is also important to know that one is working with people who are capable of making proper representation at the local, regional, and international level."

The NDP has charged that the PLM government did not spend enough time looking after the interest of the island. "Certainly, the chief minister himself has spent more time in his own business than in looking (after) development projects for the country," Bertrand Osborne told CANA.

"Many government projects which we think should have been started a long time ago have not begun," he added

Over the past week Chief Minister John Osborne has been defending himself against charges by Chalmers and the opposition that he has been overcharging government for galvanized sheets transported by a vessel owned by his shipping company. Charges of government wrongdoing and mismanagement of the economy are expected to dominate the opposition's campaign.

The ruling party is expected to focus on concessions such as the abolition of personal income tax which Chief Minister Osborne weeks ago said on radio would be a feature of his next budget.

Trinidad and Tobago

EBC Head Urges Elections Set For Same Day

FL1409014391 Bridgetown CANA in English 1944 GMT 13 Sep 91

[Text] Port-of-Spain, Trinidad, Sept 13, CANA—The Trinidad and Tobago Elections and Boundary Commission (EBC) has recommended that the parliamentary and local government elections be held on the same day, Chairman Sir Isaac Hyatali has reported. He said requirements for the preparation and conduct of elections are numerous, varied, and must be effected within stipulated time frames.

The life of local government bodies expired on Friday, following a one year extension which was given because of a coup attempt last July. Parliamentary elections are due no later than March next year.

Sir Isaac told reporters on Friday that the same procedures must be followed in the preparation and conduct of elections whether they were related to parliamentary or municipal elections.

"In essence, except for some increases in activities related to logistic and public awareness, both parliamentary elections and municipal elections can be conducted based on one set of preparatory exercises," the EBC head said.

"...It can be deduced that the major factor of having both elections simultaneously hinges on the factor of cost." He said savings will be made in the area of the training of staff for polling stations and the manning of such stations, renting of polling stations, electoral ink, and in the general administrative and material costs.

"Even from an administrative point of view, one big process on a single day would, without a doubt, be less taxing than going through the identical activities twice in rapid succession," he said.

The current list of qualified electors stands at 779,811. The EBC has extended its deadline date for unqualified persons to register to vote.

Opposition party leader Patrick Manning described the proposal to hold both local government elections and general elections on the same day as a "sure recipe for confusion."

"(We) do not like the proposal. One of the effects of it will be to slow down considerably the rate of which polling takes place in the twelve-hour period during which we normally have polling in Trinidad and Tobago, and it can result in very long delays at the polls," the political leader of the People's National Movement told CANA.

"....It can result in people becoming frustrated as a result of the delays and turning away from the polls, with the consequences of the intention of persons to vote for the political parties or individual of their choice being frustrated." Manning also said that "the local issues would tend to become clouded by the national issues or vice-versa," if both polls were held the same day.

He said the population would not be sufficiently sensitized to the issues in both campaigns, adding that electors would vote on the basis of party affiliation, or vote on the basis of an individual in one or other of the elections. Manning complained that the polls would introduce "a tremendous amount of confusion in the electoral process."

Deputy Prime Minister Post Created for Dookeran

FL1709011891 Bridgetown CANA in English
2117 GMT 16 Sep 91

[Text] Port-of-Spain, Trinidad, Sept. 16, CANA—Planning Minister Winston Dookeran is to be formally appointed Trinidad and Tobago's deputy prime minister, the ruling National Alliance for Reconstruction (NAR) said.

Dookeran, a deputy leader of the NAR, has functioned as the de facto deputy prime minister for several years. He usually acts as head of government in the absence from the country of Prime Minister A.N.R. Robinson. An NAR statement said Robinson made the disclosure last week at a party meeting and it was unanimously supported by a large crowd.

The Trinidad and Tobago Constitution makes no provision for a deputy prime minister. However, a recent review by a commission recommended that the Constitution be amended to provide for the appointment of a deputy prime minister.

President Opens Forum on Economics, Modernization

PA1909031591 Mexico City Red Nacional 13 Imevision Television in Spanish 1309 GMT 18 Sep 91

[Text] A very interesting forum was held in Mexico City on 17 September. On 12 September, the young people organizing this first Young Mexico forum told us that it would be attended by President Carlos Salinas, the secretary of government, and distinguished international personalities. And it was. This interesting forum opened at the Camino Real Hotel. Looking at the video and listening to the young people, everyone thought that President Salinas would stick to his text. But no. Salinas laid his speech aside and began discussing the various views on several local and international matters. Among other things, Salinas said: For the first time in Mexico's economic history, inflation will be between 15 and 16 percent at the end of the year.

Salinas said that the country's modernization should be nationalistic and popular. He said it should not be individualistic or selfish, but should represent a commitment to the majorities. Salinas talked about some of the fundamental results of the transformations in the country. Inflation at the end of the year will stay at 15 or 16 percent. For the first time in the country's economic history, public finances have reached a surplus. Competitiveness in international trade has been attained. Privatization has enabled the public area to obtain additional resources to meet its social commitments. Thanks to the commercial opening, a free trade agreement will be signed with Chile on 22 September and a similar one with the United States and Canada is being studied. The national solidarity program is reaching those who need it more. In addition, this is being accomplished without a populist and paternalistic policy. In the political field, dialogue, concerted effort, and respect for diversity are the chosen methods for guaranteeing the unity of all Mexicans.

[Begin Salinas recording] These are some of the preliminary results in the process of change. Not one of these results, however, is guaranteed. Everything requires us to continue to persevere in the transformations we carry out. Yet these results encourage us, stimulate us, and lead us to a greater commitment in the transformation process. [end recording]

He added that sovereignty, liberty, justice, and democracy are essential values in our national coexistence that encourage this great transformation and permit full participation in world events.

* Nuevo Leon Vote Process Viewed Critically

* 'Refinement' of Fraud Seen

91CA0213A Mexico City LA NACION in Spanish 29 Jul 91 pp 13-14

[Text] Behind the apparently "clean" elections in the state of Nuevo Leon (7 July), we have been able to discern the innovative dirty tricks that the ruling party used to defeat the opposition. So-called "operation ant" was carried out in the northern state, that is to say, a refinement of electoral fraud, according to PAN [National Action Party] Deputy Jaime Avina Zepeda.

The great many irregularities, most of them too minor and too carefully portioned out to notice, provide much food for thought when they are lumped together. Deputy Avina Zepeda indicated that Nuevo Leon was the vanguard of the new, refined method of tampering with elections. The PRI [Institutional Revolutionary Party] candidate, Socrates Rizo, got 60 percent of the gubernatorial vote, according to the official numbers; 31.5 percent went to the PAN candidate, Rogelio Sada Zambrano, and 2.7 percent went to PRD [Party of the Democratic Revolution] candidate Lucas de la Garza.

State congressmen were also chosen at these elections. The figures are: 25 majority deputies for PRI; one majority deputy and 12 proportional-representation deputies for PAN, and two proportional-representation deputies for the PRD.

Thanks to the efforts that PAN made to monitor the election and that involved around 25,000 persons, the many irregularities were detected.

Prominent among them, and just at the start of the voting, were the ballots without the PAN logo, the distribution of voter credentials, voter carousels, changes in polling-station sites, intimidation of voters, and the distribution of PRI propaganda.

Later on came the shortage of ballots at polling places, the expulsion of PAN representatives in Monterrey and San Nicolas de los Garza, and electoral packets that did not include a copy of the agreement that the candidates had reached at the State Electoral Commission, an omission that led to the ballots not being signed for authentication. Moreover, people were allowed to vote without their credentials; breakfasts were served to masses of low-income earners so that they would vote for the PRI-government, and some polling-place chiefs did not show up to open them.

"Operation Ant" was staged to defraud the voters in small doses all over the state. In addition, the voter rolls were doctored. The PAN spokesman in Nuevo Leon, Jose Luis Coindreau, indicated that there was not enough time to review the rolls. Since the list had already been corrected, the electoral authorities handed in the definitive version two days before the balloting (5 July). Nonetheless, about 20 percent of the names in the rolls were found to be repetitions.

The tactics most often resorted to were the now famous breakfasts and voting without credentials. Here are just a few examples: In the municipality of Guadalupe, the PRI leader in colonia [urban community] Nuevo San Rafael, a woman identified as "la Borrada," ordered food prepared for the local women, who in orderly fashion voted for the ruling party. Their names were put on a list, and they then went to have breakfast or lunch. There were no representatives of opposition parties at that polling place (number seven).

Also in that municipality, at polling places 54, 119, 121, 168, and 172, people were allowed to vote without credentials. Furthermore, they were allowed to do so by showing only one piece of identification, even if it did not include a photograph. In contrast, at other polling places people who had their credentials but were not on the rolls (deleted?) were not allowed to vote.

At polling place 78 in Monterrey a group of CROC [Revolutionary Confederation of Workers and Peasants] members was allowed to vote, not one by one but en masse, also without credentials.

At several places around the state, moreover, the polling-place chiefs knew nothing about where the electoral packets ultimately wound up. Nonetheless, individuals who identified themselves as members of the State Electoral Commission offered to transfer the packets. They were thus irresponsibly handed over to these individuals, who supposedly took them to the Municipal Electoral Commission.

Other specific incidents: in colonia Granja Sanitaria (Monterrey), federal district seven, the ballots did not bear the PAN logo. PRI member Hector Javier Perez, who was heading up a voter carousel, was arrested there.

In federal district 21 in the municipality of Escobedo, PAN federal Deputy Leonor Sarre saw credentials being distributed (at the last minute?).

In local district 23, section 103 in Guadalupe, people were voting in carousel fashion. In local district 18 (polling place 79) a group of thugs was intimidating voters. At polling place 151 in local district 4 PRI propaganda was handed out.

In the municipalities of Doctor Arroyo, Mier y Noriega, Arramberi, and Zaragoza, many of the polling places were moved, and people were seen handing out PRI propaganda when the new locations were found.

The notices about the location of polling places, which were published on election day in the newspapers EL NORTE and EL DIARIO, deserve special mention. There were discrepancies between the two papers, supposedly due to the State Electoral Commission, which was in charge of publicizing the polling place sites.

For example, polling place 38 in Monterrey was located at 1228 Arramberri according to EL NORTE and at 230 South Platon Sanchez according to EL DIARIO; polling place 66: 40 Molino and 52 Molino respectively; polling place 67: 1245 Luis Tijerina and Alfonso Reyes, Morelos extension, Walled Court A, respectively. Forty other such cases were detected.

PAN candidate Rogelio Sada Zambrano revealed more. At polling places 21, 22, 23, 24, and 37 in San Nicolas, PAN representatives were violently expelled. The polling place on the military compound was not opened. In the municipalities of Estanzuela, San Nicolas, Escobedo, and Guadalupe breakfasts were provided in exchange for votes. Polling place locations were changed. A ballot box was stolen from polling place 68 in the second federal district; it was carted off in a Fermont station wagon with no license plates.

An odd incident took place at polling booth 68 in Monterrey (420 Garibaldi). At about 2300 an empty ballot box was found on that street; on it could be read the word "governor." The mother-in-law of PRI candidate Socrates Rizzo, Mrs. Alma Elisa Reyes de Ruiz, lives at that address. On election day the PAN representative, Mrs. Domitila de Dominguez, was told that a ballot box had been stolen from that polling place. PAN had no representative there.

Coincidentally, the vote for governor at that polling place was 59 for PRI, 26 for PAN, and 6 for the PRD, while for deputies it was PRI 26, PAN 15, and PRD 3.

In all, PAN reported 450 irregularities to the State Electoral Commission.

The exemplary voting that took place in Garza Garcia, a municipality governed by PAN's Mauricio Fernandez Garza, is worth mentioning, as everything proceeded normally. The vote there was 22,305 for PAN, 21,163 for PRI, and 1,544 for the PRD.

The following day (8 July), the PAN candidate declared that "it was a dirty election" but acknowledged that the outcome did not go in his favor. He thanked the people of Nuevo Leon profoundly for the extraordinary turnout (the 75 percent voter abstention was altogether eliminated) and invited citizens who had placed their trust in him to begin a struggle demanding the full democratization of the state.

As for the election process, Deputy Avina Zepeda (one of the 20 who went to Nuevo Leon) indicated that "the whole illegal spirit of the system has been refined, and this can in no way lend validity to the Mexican political system. The Electoral Law was reformed, but not the vices."

"All of the irregularities," he added, "were committed in 'ant-like fashion,' and thus I cannot recognize the election as legal. The mechanisms of electoral fraud have been refined. They are not visible at first glance; they are tiny points that make up the tip of the iceberg of irregularities.

"Nuevo Leon is in the vanguard of electoral manipulation. We will defend ourselves in San Luis Potosi and Guanajuato with everything we have to prevent such things from happening."

For his part, the spokesman of the National Accord for Democracy (ACUDE), Adolfo Aguilar Zinser, who served as an observer along with three other members of the organization, stated that there are still serious shortcomings in local electoral legislation. He denounced the use of government social-assistance programs for electoral purposes and voiced some criticism of the voter rolls, including the issuance of credentials. He said that the official figures do not necessarily reflect the true outcome.

He said that neither the parties nor observers had appropriate tools to verify that the number of credentials that the government proclaimed were actually handed out. "It is important for the authorities to provide the tools for verification," he stated.

LA NACION asked him whether these elections could be regarded as "democratic," as the State Electoral Commission described them. Aguilar Zinser's reply was: "I would point out only that there were a lot fewer irregularities than on previous occasions."

* Optimum Voting Speed Cited

91CA0213B Mexico City LA JORNADA in Spanish 14 Aug 91 p 8

[Jorge G. Castaneda Commentary: "The Pace of Voting"; first paragraph is author's introduction]

[Text] With the publication of this article I once again acknowledge the privileged treatment that the editor of LA JORNADA has always extended to me, even though I am not a regular contributor to or shareholder in this newspaper. My most sincere thanks go out to him.

In recent days some of my remarks on the speed of voting in the recent elections in Nuevo Leon, which I monitored as an ACUDE observer, have been echoed (Miguel Angel Granados Chapa, Lorenzo Meyer, Carlos Ramirez) or criticized (Raul Trejo) by several commentators.

I would like to add two new elements to the file so that each person can form his own judgment.

The first has to do with the mock vote organized by the Local IFE [Federal Electoral Institute] Board in the DF [Federal District] on the initiative and under the under the observation of ACUDE. This exercise showed that as many as 80 voters an hour could cast ballots if conditions were more than ideal, in other words if there were no lists, if voters had additional identification ready, and if they did not need to think about how they were going to vote (the ballots were marked only with the signs of the zodiac). Given these and other "unrealistic conditions" Miguel Covian Perez, a member of ACUDE who certified the mock vote, estimated that a realistic number of voters would be about 45 an hour. This, he feels, represents the fastest possible pace of voting under optimum conditions; it means that the pace of voting with lines at peak hours is the same as for the period as a whole.

Getting back to the case of Nuevo Leon, let us do the following exercise. Let us accept an intermediate number of voters per hour, neither ACUDE's 45 nor the IFE's 80. Let us agree on 60, one a minute. Let us assume that the voters in the IFE-ACUDE demonstration vote are a representative sample of the typical electorate in terms of educational level, political knowledge, and dexterity with documents. Let us presume that the fastest possible voting speed at each polling place over the 10 hours that they remain open is constant: 60 per hour, 600 for the entire day. Lastly, let us assume that the polling places open promptly at 0800 (this is unlikely, given that the great majority open late even when everything is in order, which is usually not the case) and all close at 1800 on the dot (which may not happen when large numbers of voters arrive late; this would explain, in isolated cases, why more people could vote in a day: longer hours, not a faster pace).

In the optimum scenario of IFE-ACUDE we are faced with an agonizing dilemma in the case of Nuevo Leon. What do we do with the polling places where more than 600 persons voted? According to ACUDE's polling place by polling place study, more than 600 people voted at 435 of them, for a total of some 300,000 votes, in other words, a third of the total vote. It should be noted that the votes at these "turbo" polling places, as Adolfo Aguilar Zinser called them, were more or less equally divided between PRI [Institutional Revolutionary Party] and PAN [National Action Party].

What can we conclude? If the 435 polling places and the 300,000 votes cast at them were annulled, under the Electoral Law of the state of Nuevo Leon, the entire election would have to be annulled because this comes to more than 20 percent of the vote. If the "turbo" polling places are counted in Nuevo Leon or in the 18 August elections, we are accepting a pace of voting that is technically impossible. Which of the two choices destroys the legitimacy of an election and which questions it in a bid to make it credible?

* Midterm Election Irregularities Charged

* Multistate Survey

91CA0222A Mexico City PROCESO in Spanish No 773, 26 Aug 91 pp 22-23, 25

[Article by Rodrigo Vera]

[Text] On the afternoon of 18 August, Raul Salinas Lozano, the father of President Carlos Salinas de Gortari, accompanied by his wife and his son Raul, cast his vote in the Vista Hermosa colonia [urban community] in Monterrey. There he openly revealed the intentions of his son Carlos.

"Well, he wants more latitude in order to govern, and for this more PRI [Institutional Revolutionary Party] deputies and senators are needed."

But the PAN [National Action Party] and the PRD [Party of the Democratic Revolution] in Nuevo Leon lost no time in pointing out that the triumph of the PRI was tainted by inherent vices, and in addition, they charged that on voting day, 20 percent of the voting booths in the state did not open on time.

As was the case in Nuevo Leon, the opposition parties in other states—Guerrero, Oaxaca, Michoacan, Jalisco, Coahuila, Veracruz, Sinaloa, Durango, Sonora—have made charges pertaining to many more irregularities alleged to have occurred during the elections held on Sunday, the 18th.

The theft of and stuffing of ballot boxes, the intimidation of opposition representatives, the disappearance of voter registration lists, irregularities in the issuance of credentials, the delays in the opening of polling places, the proselytizing during the elections, and the use of government resources to support the PRI are among the charges made.

Apart from the figures, official or otherwise, the following is a description of what occurred in the various states on 18 August, based on the accusations of irregularities made by the opposition.

In Guerrero, for example, fraud and a clean sweep won out, according to the commissioners of the PAN, PRD, PRT [Revolutionary Workers Party], PT [Labor Party], PARM [Authentic Party of the Mexican Revolution], and PFCRN [Party of the Cardenist Front for National Reconstruction], who on Wednesday, the 21st, demanded the invalidation of the federal elections, in which the PRI won a victory in the 10 electoral districts.

Rosalio Wences Reza, the state PRD leader, noted the anomalies observed in the elections in Guerrero:

"Voters' credentials were duplicated; extra voter registration lists were used; 700,000 citizens of Guerrero were struck from the register; there were 'tamale [breakfasts organized for voters near voting booths to influence voters], carousel, crazy mouse operations,' and proselytizing breakfasts; and votes were brazenly purchased."

Apolinar Segueda Dorantes, a PRD commissioner, added:

"The section coordinators who replaced the presidents of the polling places were from the PRI. The appeals for review filed with the IFE [Federal Electoral Institute] were ignored. The charges made against the PRI representatives who made use of government vehicles, held huge breakfasts hosted by the LICONSA [CONASUPO [National Company for Basic Commodities] Processed Milk, Inc.], gave out food packets, and boldly purchased votes had no effect."

The PRTs Maria Luisa Garfias Marin charged that the COFIPE [Federal Code of Electoral Institutions and Procedures] "was smashed to bits" in Guerrero.

"The results were faked; we will not endorse the final count; and we are petitioning for the invalidation of the elections."

One after the other, the PRD candidates gave their testimony, offering proof that in Guerrero "there was a gigantic fraud, manipulated from the government offices." In Acapulco alone, the PRI won out with a margin of more than 11,000 votes over its closest rival, the PRD.

This latter party estimated that the original electoral lists contained the names of 1.4 million Guerrero residents, but 400,000 were not registered, and subsequently, about 300,000 did not receive their credentials in time.

Wences Reza added:

"The Federal List of Electors provided no help. It was all out of proportion, crude, and childish."

The Higher Court of Justice in the state agreed to hear the complaints filed against two PRI representatives, who allegedly engaged in a 'carousel operation' on a government truck in the municipality of Malinaltepec, in the mountain region governed by the PRD. They were arrested by residents of the locality and held in the Iliatenco police station. They came close to being lynched.

Such large numbers of military vehicles and armed soldiers patrolling the highways had not been seen in Costa Grande since the guerrilla era.

In Petatlan, Tecpan, Atoyac, La Union, Coyuca de Benitez, and San Jeronimo, more than 1,400 members of the various police forces and the 27th Military Zone intensified their patrols between Saturday, the 17th, and Thursday, the 21st. The most serious incident occurred on the night of Wednesday, the 21st, when representatives of the PRI and the PRD exchanged blows and insults at the headquarters of the Seventh District. Intervention by Army personnel prevented the arguments from developing into a more serious fray.

But the protests of the opposition were ignored by the electoral officials. "They are without foundation." "This is a false alarm." "These were mere tactical maneuvers." "They were not even familiar with the laws." So they argued.

Thus the party in power effected a clean sweep in Guerrero, "making off with everything," according to the opposition, including the 10 federal offices, crowned by the senatorial seat, in an electoral "holiday."

Jose Francisco Ruiz Massieu, the governor there, made a triumphal statement in conclusion.

"I am not surprised by the PRI victory. It is the logical result of the political, economic, and social actions of the state and federal governments, and those to promote the Solidarity Program set in motion by President Salinas."

Oaxaca Count Challenged

In the state of Oaxaca, as well, the opposition parties, supported by the Business Coordinating Council, challenged the legitimacy of the elections because of the serious irregularities noted, together with voter abstentions exceeding 70 percent.

In protest, militants in the PRD and the COCEI [Labor, Peasant, Student Coalition of the Isthmus] blocked the Cristobal Colon Highway on Wednesday, the 21st, at the city of Juchitan. Led by the candidates for the seats as deputy and senator, Rufino Rodriguez and Leopoldo DeGyves de la Cruz, respectively, they made charges pertaining to irregularities ranging from the drawing for the purpose of selecting officials—the majority of them from the PRI—to the procedures on voting day. Hundreds of members of the COCEI failed to receive their credentials, while others were eliminated from the list of registered voters.

That Wednesday night, during the meeting of the local council of the IFE, representatives of the PRD, PAN, PFCRN, PARM, and PT drafted a document in which they agreed not to endorse the electoral results because of the delays in the opening of voting premises, the discrediting of their representatives, and the last-minute changes made in the location of scores of polling places.

Nicolas Ramirez Carrillo, the PRD representative at Polling Place No 01 in San Juan Numi, Tlaxiaco, sent a protest in writing to Martin Martinez Cortazar, president of the District Council in Huajupan de Leon. He stated that on election day, "An individual claiming to be an official of the District Electoral Committee asked me to withdraw to a distance of 3 meters from the polling place, arguing that I had no right to approach any closer."

After detailing various irregularities to which he was a witness—individuals who voted several times, or who lacked voting credentials, people persuading others to vote for the PRI—Ramirez Carrillo related that he was forced "by intimidation" to sign certain documents.

Finally, he was faced by an individual "brandishing a machete at me, whereupon I decided to leave the polling place and to flee into the hills."

Clemente Jesus Lopez, of the PRD, and Rafael Heredia, of the PAN, commented that in addition to the irregularities in the electoral process, the PRONASOL [National Solidarity Program] campaign gave the PRI a great advantage, and that the isolation of 70 percent of the municipalities in Oaxaca enabled the officials at the polling places who were affiliated with the PRI to carry out all sorts of "swindles" in order to inflate the vote for the PRI.

Weapons Used in Michoacan

In Michoacan, Carlos Sotomayor, the secretary of the Municipal Council in Tuzantla, and Jose Tejada Rodriguez, the secretary of the Municipal Committee of the PRI, were arrested, together with two other individuals, by PRD sympathizers, after they had committed the armed robbery of electoral packets from two polling places in the Ciudad Hidalgo Electoral District.

Also confiscated from them were "clean" (blank) voters' credentials, a 12-caliber automatic breech-loading weapon, and three pistols.

According to Preliminary Investigation No 240-991, they have been charged with electoral crimes and violations of the Federal Firearms and Explosives Law, because they were carrying weapons issued exclusively to the Army. They have been turned over to the Federal Public Prosecutor's Office in Zitacuaro.

In Panindicuaro, 10 other individuals, the majority of them polling-place officials, were arrested by PRD militants in the early morning hours of Monday, the 19th, while they were transporting electoral packets in three vehicles. The members of the PRD charged them with theft of the packets. They were kept in custody in the municipal jail for a day. But in the end, the PGR [Office of the Attorney General of the Republic] released them, "because there is no information indicative of a crime on the basis of which to pursue criminal proceedings."

The members of the PRD, on the other hand, are now being accused of "kidnapping" and "illegal deprivation of freedom," on the basis of Preliminary Investigation No 302-991.

PAN Loses in Jalisco

The National Action Party has now lost the eight districts in the capital of Jalisco in which it won in 1988 with relative ease, with the same number of votes on this occasion. Meanwhile, strangely enough, the PRI has now won double the number of votes it garnered on that earlier date.

This development has been termed a "computer fraud" and an "electoral charade" by the PAN, PRD, and PDM [Mexican Democratic Party], since although not so many people were seen at the polls, the government proclaimed a heavy vote in favor of the official party.

Tarcisio Rodriguez, the state president of the PAN, says it would be very difficult to document the fraud, "because thieves never, or very rarely, issue receipts." However, he adds, his party will challenge the elections in at least 12 districts.

Gilberto Parra, the PRD leader in Jalisco, claims that the official figures are "fictitious."

"They are the result of manipulation of the electoral lists and of the failure to issue credentials to hundreds of thousands of individuals. In Jalisco 1.5 million persons were left unregistered and unable to obtain their voting credentials.

Miracle in Coahuila

"Magic!" "A miracle!" These are the comments made by the impartial observers, opposition parties, and regional media in Coahuila on learning that despite the low attendance at the polling places, thousands and thousands of votes for the government party were placed in the ballot boxes.

They are now talking about the "rabbit operation" whereby the PRI multiplied the number of votes, "pulling them out of its sleeve."

Widespread incredulity is developing within the opposition. How did the PRI win more than 60 percent of the votes? Why were such high figures cited following an event which was characterized by a high level of absenteeism?

"Unbelievable figures," the local press commented. There were polling places at which voting was light all throughout the day, but where the counts subsequently produced showed thousands of votes. "What really happened?"

Angered, the PAN submitted four protest documents to the Second District Council on Tuesday, the 20th, alleging "irregularities committed in the course of the elections." They included the following:

The number of votes cast exceeded the number of ballots issued to each polling place, according to the report of this council. Voters were intimidated by the representatives of the PRI at a number of polling places, and fraud was committed, to the benefit of the PRI candidates, in the counting of the votes at 25 polling places, if not more.

PRI sources indicated that on Sunday, the 18th, there were about 50 "electoral houses" at which food was distributed "to motivate" the militants and encourage them to vote. Those in charge of the "houses," which operated even in the residential colonias, received 100,000 pesos for their participation.

According to Adrian Puentes Adriano, the PRD candidate in the Sixth District, the "fraudulent maneuvers" began even before the elections, as described in a written document submitted to the electoral authorities. They included the following:

"Violations of the procedures for preparing and appointing the officials for the administrative boards at the poling places; the illegal collection of voting credentials by representatives of the government party, coordinated by the municipal PRONASOL officials; and the illegal appointment of 80 coordinators."

Early Warning in Veracruz

In Veracruz, five opposition parties accused the weekly periodical NOTICIAS, which is circulated in the southern part of the state, of early announcement of the triumph of Fernando Charleston Salinas, the PRI candidate for a federal deputy's seat in Coatzacoalcos, in its 18 August edition. The report, which was headlined "Charleston Won," was described as "arrogant, fraudulent, and false" by the opposition.

Not only that, but some radio stations "also trumpeted the PRI victory triumphally" on election day, according to the PFCRN.

In addition, Televisa cameramen covered the voters during the electoral process.

Apolinar Hernandez Santiago, a representative of the PPS [Popular Socialist Party] in Veracruz, charged that this attitude constituted an attack on "the constitutional secrecy of balloting," because it put pressure on the voters to reveal which party would receive their votes.

Meanwhile, the PFCRN deputy, Lidia Pleytez, charged that in Isla, in the district of Acayucan, an alleged representative of the Interior Secretariat hindered the work of her party's commissioners.

Sixto Machorro, the PRT representative, reported that in the district of Orizaba, only 240 polling places in the urban area were open as of 11:00 am, while the 42 in the rural sector were, suspiciously, wanting.

The local opposition also described the deployment of government vehicles made available to the PRI "for supervision of the polling places," citing their respective license numbers, makes, and models.

The PRD in the state, for its part, drafted a document stating that the current electoral process "provided evidence of the novel and effective methods of political control developed for the 'Prinasol.' It can only show contempt for and offend malnourished and unemployed citizens to offer them breakfast and then escort them to the polling place to vote."

In conclusion, he said that "the Salinas group does not want plural representation in the Congress. It wants a 'clean sweep' congress, or at least one with a PRI majority, so that it will not need to negotiate any constitutional reform with that body."

Confident of his triumph as a senatorial candidate, Miguel Aleman (wearing a blue guayabera shirt, cashmere trousers, and a gold chain around his neck) voted in the Costa de Oro Precinct of Boca del Rio, surrounded by others who had left their yachts in order to cast their votes.

Roundup in Durango

Again in Durango, the opposition complained of the delays in the opening of the polling places, the last-minute relocations, the hindering of its representatives, the absence of officials at the polling places, the votes cast by individuals not shown on the electoral lists, and the electoral proselytizing.

There the PRI set up a major computer center with fax machines, telephones, a system of radio links, computers, and mobile units which monitored the electoral process day and night.

However, Jose Ramon Hernandez Miraz, president of the PRI in that state, made it clear that "we will not announce any victories in advance."

The opposition charged that in the majority of the rural areas, the PRI rounded up ejido members and took them in pickup trucks to the polling places to vote for the PRI. As a result, at polling places with a total of 500 names on the electoral lists, the PRI won 400 votes.

'Carousel' in Sonora

Demanding "respect for the election results," the members of the PAN in Sonora have been blocking the municipal highway in Guaymas and the international intersection in San Luis Rio Colorado. They have evidence of fraud committed in Guaymas, Puerto Penasco, San Luis, Agua Prieta, and Suaqui Grande.

They made three video cassettes showing instances of the PRI "carousel" on election day. On cassette tapes, they recorded 15 hours of radio conversations among PRI representatives during which they exchanged instructions for swelling the vote count illegally.

In Puerto Penasco, they challenged the results at 60 percent of the polling places, and they produced a videotape showing the so-called Jaguar Group engaged in a "carousel." They even have a report detailing the telephone numbers, addresses, codes, and commitments to round up voters made by members of the Jaguar Group.

The PAN in Guaymas withdrew from the process of counting the municipal votes in protest against the irregularities committed and the failure to provide its representatives with guarantees.

Meanwhile, the members of the PRD and the PARM in Etchojoa demanded invalidation of the municipal elections, and on 21 August, they took over the town hall and the headquarters of the municipal electoral commission.

PRI Sweep in Sinaloa

The PRI also crushed the opposition in this state, winning in the nine districts, according to the official figures announced as of nightfall on Thursday, 22 August, at the conclusion of the session of the local council of the Federal Electoral Institute.

According to the IFE, the PRI won a total of 415,690 votes, as compared to 144,596 for the PAN and 31,272 for the PRD.

The PRI won back the Third and Eighth Districts, included within the Culiacan urban sector, where the PAN was victorious in 1988. The PAN has refused to accept its defeat or the victory of the PRI, and is committed to reporting the irregularities. The challenges in four districts exceed the 20 percent which the COFIPE has ruled is required in order for a district election to be invalidated. In the Third Electoral District, the PAN has challenged the results at 105 out of the 208 polling places, 86 out of the 337 in the Fourth District, 120 out of 176 in the Eighth District, and 112 out of the 432 in the Ninth District.

Tarcisio Silva Lozano, the state leader of the PAN, stated that the challenges or protest documents were not designed to ensure recognition of a PAN victory, but to dispute the irregularities which clearly demonstrate that the electoral process was not an honest one. He said that there were many more votes in the ballot boxes than there were names on the electoral lists, while at the same time, a high percentage of the sympathizers with the opposition were not to be found on those lists.

* Central Americans Vote

91CA0222B Mexico City PROCESO in Spanish No 773, 26 Aug 91 pp 24-25

[Article by Guillermo Correa]

[Text] Tuxtla Gutierrez, Chiapas—In Chiapas, the PRI not only overwhelmed the opposition parties in the recent electoral event in terms of figures, but it even did so, in some municipalities, at bayonet point, using the state security forces. These troops, additionally armed with tear gas, clubs, rifles, and Uzi machine guns, attacked those who would not conform, resulting in what their victims called "the most fraudulent elections in the history of the country."

They claim that this was the response of Jose Patrocinio Gonzalez Garrido's government to the members of the PRD and the PFCRN in the municipalities of Mazatan and Escuintla, located in the Soconusco, the hot region on the southern frontier, when those individuals protested on learning that more than 50,000 Central Americans, as they allege, voted for the PRI on Sunday, the 18th, supported by the police forces, former mayors, and bosses who are "members of the tricolor party."

The violence which occurred in some parts of this state but has been officially hushed up was one of the characteristics of the elections, which according to the charges submitted to the Fray Bartoleme de las Casas Human Rights Committee, and even to the Presidency of the Republic, were riddled with irregularities which led to clashes between the members of the PRI and the police forces.

However, Jose Luis Castillejos, the Union of Democratic Journalists (UPD) coordinator in the state, and until a few days ago a correspondent for EL UNIVERSAL, charges that "nothing has been published about this in the capital of the country." He complains that "no media agency in the center of the country has reported on what is happening in the region. It is strange," he says. "A position must be adopted on these cases. The people there are angry. They want to be heard. Many of them are armed to the teeth."

Irma Serrano, known as "The Tigress," the PFCRN candidate for that state's senate seat, confirms that the electoral process there was fraudulent. "The PRI forces attacked the people. They did not let them vote, and they even jailed some." And she issued a warning during an interview. "But the war is just beginning. For the next stage, Chiapas will be armed, and I do not mean with stones."

According to Governor Jose Patrocinio Gonzalez Garrido, the election results should be approved. He asserted that in the more than 3,000 polling places used, there was not "one single incident or serious clash." The fact is, however, that the popular protests against the "excesses" of the authorities even began hours before the voting commenced.

Proof of this is seen in the fact that 2 days prior to the elections, more than 5,000 Tzotzil Indians in the municipality of Oxchuo agreed to stay away from the polling places because of "the arbitrary actions committed by the PRI mayor, Alberto Sanchez, against the people, since he constantly invents crimes in order to put Indians in jail." And on 17 August, five Tzeltal peasants belonging to the Emiliano Zapata Organization, who had settled into a hunger strike beside the government headquarters, were ousted by the Judicial Police in the state, under the command of Ignacio Flores Montiel, who threatened them if they did not leave by 11:00 pm. The governor said that the demonstrators were not ousted, but "were only told that on this election day, as prescribed by law, there could be no gatherings."

The worst occurrences, according to Jose Luis Castillejos, were in the frontier region, where "the PRI has lost its credibility." The report he sent to EL UNIVERSAL, which he says it did not publish, indicated that on learning that thousands of Central Americans had voted for the government party on 18 August, some 3,500 members of the PRD and the PFCRN in the municipalities of Mazatan and Escuintla burst into the streets in the early morning hours of Monday, the 19th, armed with shovels, rocks, and knives. And on learning that the PRI had won, they set fire to three premises, destroyed furnishings and ballot boxes, and attempted to lynch five PRI members believed to be responsible for the fraud.

In response to this, he went on to say, the security forces, including state judicial and municipal police, plunged into the crowd at 1:45 am and attempted to disperse it. "The clash left three individuals with gunshot wounds and five policemen with broken legs or arms, while 11 people were missing, and 23 were beaten."

Agustin Rubio Montoya, a PRD National Council member representing Chiapas, who nominated Rafael Coutino Citalan for the post of municipal president of Escuintla, reported that when more than 500 sympathizers gathered in the main square of the town to await the election results, they were attacked by public security agents with tear gas. During the disturbance, Jose Domingo Perez, Alfredo Dominguez Meza, and Carlos Dominguez Santis received gunshot wounds.

Because of the irregularities observed in Mazatan, according to Moises Sanchez Lopez, the regional coordinator of the PRD, and mayoral candidate Jose Antonio Villarreal Escobar, there too "the people destroyed the premises of the electoral commission, burned 21 ballot boxes, and administered beatings to PRI members Donatilo Villarreal, Saul Alvarado, Francisco Palacios, and Enoch Villarreal."

The clash began when the members of the PRD observed that the number of votes for the PRI candidate, Guillermo Gonzalez Cinco, doubled after the electricity had failed in the municipality, during which period of darkness "the PRI people seized the opportunity to stuff the ballot boxes."

The PRD said that it will petition for the invalidation of the vote counts in the state, in particular those in the municipalities of Amatan, Oxtuacan, Pueblo Nuevo, Solistahuacan, Simojovel, Palenque, Ixtapa, Villaflores, Cintalapa, Berriozabal, Mazapa de Madero, Mazatan, Escuintla, Cacahoaten, and Pijijlapan.

According to the most recent reports, dated Friday, the 23rd, there were also moments of tension in Pichucalco, located on the boundary with the state of Tabasco. It is feared that there will be other clashes, because members of the opposition have said that "they will defend their votes with weapons in hand." Meetings and assemblies have been scheduled for the weekend throughout the region

The Tigress Attacks

Irma Serrano, who is disillusioned with the PFCRN and its leader, Rafael Aguilar Talamantes (she says that he has "sold out"), claims that "mine is the only triumph in Chiapas."

The professional actress and singer who is now involved in politics issued a warning. "I do not care if my victory is not recognized. But whatever it costs, be it my life or my freedom, I am not going to allow my state to continue to serve as a reserve to be exploited by the central government."

Irma Serrano launched her campaign in the capital of Chiapas on 30 May. Since the beginning, she has been involved in situations which have even made it necessary for her to submit formal charges to the Office of the Attorney General of the Republic. She has complained of all kinds of things—harassment, kidnappings, and attacks. In an interview granted to reporter Raul Monga, she said that her life was threatened four times, and she recalled that her running mate, Alexander Santos, lost an arm in an automobile accident which was "planned."

Now that the voting is over, being seated in the Senate is the least of Irma Serrano's concerns. "I do not want to be a senator," she says. "In Mexico, this achieves nothing. Moreover, I do not want to be the pawn of the PRI." Wearing black, and with makeup and jewelry in place, the cousin of writer Rosario Castellanos, who "made me enroll in the Faculty of Philosophy and Letters at the UNAM [National Autonomous University of Mexico]," also expressed regret at the lack of past and present support for the party which nominated her. "I have no faith in Talamantes. He is a person who does not even deserve to head a political party, because the party members there are outdoing themselves, while this miserable fellow, who even failed to put in an appearance, claims authority to which he is not entitled."

She was asked if she regrets having been nominated by the PFCRN.

"I would like to have been nominated by the PRD. But as a challenge to Talamantes, the only leader they have, I accepted this nomination. I would prefer that my victory be invalidated rather than having it left in the hands of the PFCRN. It is a shame that Cardenas (Cuauhtemoc) allows them to use the name of his father."

She has not abandoned the attack. "Solidarity in Chiapas is just a myth. The only thing we have seen from the PRONASOL is the millions of pesos spent on advertising. This can be seen in every town, but one does not see any projects."

She claims to be very conservative, and to be faithfully devoted to San Caralampio, the patron saint of her town, Las Margaritas, near Comitan. She insists on her struggle in favor of abortion, because "poverty is widespread, and children only come into the world to suffer."

Her experience in politics, she says, "has been the source of sadness." Sometimes, she confesses, "People pass through life without seeing the misery which surrounds us." And if she is proud of anything, she adds, "it is that I succeeded in awakening the people in my native region, who have been asleep for more than 60 years. I succeeded in commanding the state, developing an awareness in it. And what happened here had to do with Irma Serrano, and not the party which abandoned me. Therefore, I will wage the struggle from whatever position I can, since in matters of manipulation, I am worse than Machiavelli. For with the present PRI government, we are not moving in any direction. Well, yes, we are—toward hunger and greater poverty for the people," she said, after reconsidering.

* 'Vote Commitments' Cited

91CA0222C Mexico City PROCESO in Spanish No 773, 26 Aug 91 pp 34, 36

[Jorge Castaneda commentary]

[Text] There are two types of general fraud, both in Mexico and elsewhere in the world. One type is obvious, clumsy, and insulting, like that in July of 1988 or that in Chihuahua in 1986. In other words, theft or stuffing of the ballot boxes, the burning or removal of ballots, "second-floor" fraud on the day following the election, etc. This is the easiest kind of fraud to commit and to detect, although it is not necessarily the easiest to combat. It is the kind which most seriously sullies an election process and most seriously deprives it of legitimacy and prestige. This is the fraud of the past.

The second type of fraud has to do above all with the absence of a fair contest, with basically inequitable, unequal, or unfair electoral competition. It is almost always a question of the indiscriminate, unlimited, and unregulated use of the material, human, political, and juridical resources of a state by a party, resulting in overwhelming victories for that party in elections which usually serve more nearly a legitimizing function than one involving the transfer of or alternation in power. This kind of fraud is more difficult to identify, to denounce, and to correct, since its legitimacy is based, to a certain extent, on the very fact that the other parties agree to compete, knowing that the contest is unequal.

In Mexico, the respective proportions of one kind of fraud and the other have been changing with time. Following the major swindles perpetrated in the northern part of the country in the 1980s, blatant fraud has been losing some importance. It recovered somewhat in 1988, but it is tending to decline, although not to disappear. The other kind of fraud, always present in our country, has taken gained in importance as that of the former has dwindled. The 1991 elections represent, in a way, the culmination of the transition to the "modern" type of fraud. Its basis was to be found in the rules which governed the contests, not in the stuffing of ballot boxes, "carousels," etc. It should be emphasized, however, that this does not mean that these practices have been eliminated. There is reason to think, even if there are no facts to prove, that in the Federal District, in San Luis, and in Guanajuato, as well as in Michoacan and in Guerrero, the same old traditional maneuvers were used, although they may possibly have been concealed with greater skill or been more scattered.

But the most important feature in 1991 was found elsewhere—in the giant operation of mobilizing votes carried out by the PRI on the basis of its exclusive, privileged, and decisive link with the Mexican state. The scheme was set forth for us in full honesty and frankness by a top official in the PRI in a state where the electoral struggle was stubbornly and intensively waged, although it resulted in a triumph for the PRI, as was the case in all the other states.

According to this leader, the PRI had for several months been identifying the PRI voters and potential supporters, house by house, street by street, section by section, district by district, and state by state. In this way, a master list of PRI voters, in numerous cases similar to other lists—the poverty census, the list of PRI members, etc.—was drafted. A PRI coordinator was appointed in each electoral district. He, in turn, appointed the individuals in charge of groups of five to eight sections, and they in turn appointed the heads of the individual sections, who then chose block or neighborhood representatives. These representatives proceeded to visit homes to identify the residents and their needs, and to obtain "vote commitments" on the basis of "business agreements." In other words, promises to vote for the PRI were obtained in exchange for help with the real problems of daily, family, labor, and other aspects of life. "Committed PRI voters" received part of this aid prior to the elections, while the balance received it afterward. On election day, these "committed voters" were visited by the election promoters—perhaps these same block or development leaders—who went with them to vote, sometimes after a breakfast, and sometimes directly. And at each individual polling place, there was a PRI representative. He might be the PRI representative or the PRI official for the polling place, or someone else whose sole duty was to be there to count the number of committed PRI voters who in fact cast their ballots.

I, along with other ACUDE [National Accord for Democracy] observers, watched the "counter of committed voters" at a polling place in Romita, Guanajuato, at work tallying the number of PRI voters. At about 2 pm, 150 of a total of 183 voters "for the PRI" had appeared. As the PRI politician mentioned above told us, this count did not mean that the individuals had necessarily voted for the PRI, but simply that they had in fact cast votes.

But in a country in which balloting is not secret—anyone who saw the flimsy plastic partitions on 18 August is aware that they did not protect privacy in the least—and in which fear is rampant, the commitment suffices. It is not a question of influencing votes, or of the despicable, straightforward purchasing of votes, but of two other much more serious things—one political, and the other ethical in nature.

As our provincial interlocutor told us, the political question is not whether this procedure is legal or legitimate. Although this country has had impartial electoral court instances, the most they could do was to apply an unjust law. The basic issue is the inequality of the options. The "vote-commitments" practice is illegal, illegitimate, and unjust, because it can only be implemented through the state. Only the governing party, because of the employees, the information, the budget, and the strength available to it, can make it work. Without a doubt, our PRI spokesman exaggerated. It is probable that this practice could not succeed everywhere in the country, nor with all of the citizens. But that was the intention, at least in all of the units where the contests were hard-fought.

In all countries, the governments in office make improper use of the prerogatives of power to benefit themselves in the current elections. But the "vote-commitment" system goes much beyond that. It is a question of the massive, widespread, constant, and enduring use of the entire state apparatus to the benefit of one party. The PRI could not pursue this practice if it were not the government party, nor could any party other than the PRI make it work. Therefore, it would be illegal and illegitimate under just and democratic electoral legislation, but this is not true under the infamous COFIPE, the fairness and efficiency of which we were all able to observe on 18 August.

The ethical problem is more complex. In modern countries, and even in those which are not so modern, the kinds of control and the grid surveys of society involved in the procedure described here are unacceptable. They are parts of a typically totalitarian method, wherein the state undertakes to know everything about the citizen—his political sympathies, his state of mind and the reasons for his discontent, his needs, and—why not say it?—his price. We are dealing with a form of state action which presumes that the citizens may have no secrets from the state, and that the state makes the provision of services or respect for rights conditional upon a certain behavior on the part of the citizens. Worse still, we are dealing here with a procedure which, if in fact it is not inherently repressive, becomes a privileged tool for repression and control at times of greater social tension. One may be in favor of or against this type of process. I am against it.

The other great problem in the 18 August elections was the contradiction into which the opposition found itself plunged on the day following the elections. On the one hand, both the PAN and the PRD had been making accusations throughout the campaign about the so-called inherent vices characterizing the electoral process as a whole—the census, voting credentials, media, resources, government party, etc. But all of the major opposition candidates—Nava and Fox in San Luis and Guanajuato, Heberto in the DF [Federal District], the Cardenist candidate in Michoacan—adopted, in a way, a cynical attitude, tolerating fraud if it only affected others. Everyone believed that there would be fraud, that the process was tainted, but each believed that he could overcome the obstacles in his respective case and win despite everything. Therefore, they all denounced the rottenness inherent in the process, but continued to participate in it.

As was to be expected, no one could overcome these obstacles, and they lost, at least according to the official figures. But once these figures were definitive, the triumphant candidates who had nonetheless been defeated claimed that the process was invalid. In this they were entirely right, as they were when they claimed, together with Vicente Fox, that documents do not constitute definitive evidence of electoral honesty, since they may report false votes, or votes which are real but fraudulent. Except that by proceeding in this manner, one falls prey to a serious inconsistency. If the process is inherently tainted, if the legislation is biased, if resources and access to the media are dramatically inequitable, and as a consequence of all of this, it is impossible to win—then one should not participate.

While everything centered on the documents, as was the case in 1988, when in fact the fraud was perpetrated after the election, and the famous documents in their respective packets probably would have shown that the true results of the elections differed from the results officially announced, this contradiction could be managed. But now that the fraud has begun to precede the voting and the counting, and there is systematic recourse to the purchase or falsification of the signatures of the representatives of the opposition, it is much more difficult to maintain consistency.

When the PRI candidates insist that the documents be reviewed, they are partially right. When the opposition candidates protest that the documents are invalid because the process as a whole is tainted, they are also right. When the PRI candidates come back with the question as to why, then, the opposition candidates agreed to participate, they are again right. And the opposition candidates would only be right if they gave one answer: "We will not participate again until there is a guarantee of a fair contest, with laws, practices, and norms accepted by all, without legislative discrimination, palace agreements, or exaggerated hopes."

Belize

Guatemalan President Postpones Visit Until Nov

FL1909190191 Bridgetown CANA in English 1813 GMT 19 Sep 91

[Text] Belmopan, Belize, Sept 19, CANA—Guatemalan President Jorge Serrano has rescheduled for early November an official visit to Belize originally planned for this week, the government said. It was also announced that Prime Minister George Price will pay an official visit to Guatemala in late October.

The announcements followed the return here Tuesday of Foreign Minister Said Musa and deputy opposition leader Dean Barrow from Guatemala where they held talks with President Serrano, Foreign Minister Alvaro Arzu, and other officials after learning of the postponement of the president's trip. The postponement was the result of opposition from some members of the Guatemalan Congress.

Following Guatemala's recognition of Belize's sovereignty and the establishment of diplomatic relations last week, it was announced that President Serrano planned to arrive here on Thursday for three days to take part in Belize's 10th independence anniversary celebrations.

A joint communique said the Belize and Guatemalan officials exchanged views on their newly established diplomatic relations and agreed talks would continue on a solution to the still existing Guatemalan claim on parts of Belize's territory—a longstanding source of tension between the two countries. The communique said any definitive agreements would be put to referenda in the respective countries.

It was also announced that a joint commission will seek agreements in economic, social, and cultural areas including joint exploitation of defined areas of what is called the "exclusive economic zone" of Belize for the mutual benefit of both countries. The discussions will also look at permanent access from the El Peten Department of Guatemala to the Caribbean Sea and the reciprocal use and development of port facilities. Other areas to be discussed will be cultural and exchange programmes, and cooperation in tourism, the fight against drugs, and the development of commerce and investment between both countries.

The communique referred to the integration of Belize into Central America and for Belize to act as "bridge" to extend political, economic, and cultural bonds from Guatemala to the Caribbean Community.

Foreign Minister Musa told reporters the recent developments in Belize-Guatemala relations was "a far cry" from the heads of agreement reached with Guatemala 10 years ago for solving the territorial dispute. Dean Barrow, who was foreign minister in the last government, said there were vast differences between the "heads" and the joint communique. He said the opposition was cooperating fully with the government to try and reach a solution with Guatemala.

"There is not anything that I have seen in the communique that I can't live with. There are certain choices that will have to be made," he said.

Barrow said he had mixed feelings about the pace of the negotiations but all of Belize needed to be jubilant about Guatemalan recognition of Belize's right to self-determination and the establishment of diplomatic relations.

Musa said he detected a clear willingness in the Guatemalan Government to put an end to what he called "this anachronistic dispute" and it was not a big issue for the Guatemalan people. However he reiterated that Belize would not give up any land.

"I made it clear that Belize does not intend to make any cessation of territory in any final negotiation. I said this very openly, nobody was upset, they recognise this is what really is happening. We are talking economic, social, and cultural development between our two countries," said Musa.

Referring to a grant of 22.5 million pounds sterling for a road project announced by Britain last week, Musa said the British, the former colonial rulers here, had played an active role in the negotiations. He said the issue of British forces in Belize would not become an issue before final solution is reached. There was a clear commitment from the British Government that the forces would remain for an appropriate period, Musa said. He added, however, that while a new role for them may have to be worked out, Central American countries and even Guatemala see the British presence as being a stabilising force in the region.

Costa Rica

Passports Denied to Hong Kong Investors

PA1909144391 San Jose LA NACION in Spanish 13 Sep 91 p 44-A

[Report by Jose Luis Mora R.]

[Text] A group of Hong Kong businessmen has offered to make large investments in Costa Rica in exchange for national passports, a proposal which the government has refused.

Foreign Trade Minister Roberto Rojas said that, although very good investors are involved, Costa Rican law precludes the extension of this benefit.

Rojas said that the Hong Kong businessmen would receive the same treatment given other investors, who are granted residence identification cards (cedulas).

He said that the government's refusal does not dismiss the possibility that many businessmen from that British colony will settle in Costa Rican territory before Hong Kong is transferred to the PRC in 1997.

"I believe that we are going to have investors from Hong Kong under the current regulations. At present we are issuing residence visas to them for certain projects that are of interest to the country, but we cannot issue passports to them," Rojas reiterated.

He argued that in the past the system whereby national passports were issued to investors was taken advantage of "and we do not intend to change the law to return to that system."

Honduras, El Salvador, and the Dominican Republic have already agreed to the proposal made by the businessmen, who plan to invest approximately $40 million on export industries in Honduras, according to an ACAN-EFE dispatch.

The investors are also interested in establishing a bicycle and motorcycle assembly plant in northern Honduras for sales in Central and South America as of 1992.

El Salvador

Cristiani, FMLN Optimistic Over UN Talks

PA1909143991 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 19 Sep 91

[Text] At the United Nations, Salvadoran President Alfredo Cristiani says that progress has been made and that he believes an agreement with the Salvadoran guerrillas will be possible because of the efforts of the UN secretary general.

Cristiani, who met with Perez de Cuellar and his advisers for one and a half hours, after meeting with him for 40 minutes on 16 September and 15 minutes on 17 September, was clearly optimistic over the progress of the negotiations. Nevertheless, he declined to answer questions regarding the proposal Perez de Cuellar made to the Salvadoran Government and to the Farabundo Marti National Liberation Front [FMLN] because, he said, Perez de Cuellar asked them not to discuss internal issues.

Alvaro de Soto, the UN secretary general's representative in the case, had explained earlier that Perez de Cuellar presented a series of ideas to both sides. The ideas reportedly called for restructuring the negotiations agenda, which was agreed on in Caracas at the beginning of the negotiations. De Soto denied that an FMLN proposal for a year-long truce is one of the subjects being discussed. He said that it never reached the general secretaryship.

He emphasized that these top-level indirect talks are not really aimed at achieving substantive agreements but at establishing a frame of reference so the negotiations can resume in a constructive manner that will lead to settling differences, ending hostilities, and returning the FMLN fighters to civilian life in El Salvador.

Cristiani said on arrival at the United Nations that the secretary general's proposal is something that can be worked with. Sources close to the guerrilla delegation say that the FMLN is optimistic over the proposals. President Cristiani said that he will meet again with the secretary general at 1100 New York time [1500 GMT].

It has been disclosed that the United Nations has asked the United States to extend the FMLN commanders' visas for 48 hours. This is a sign that the talks scheduled to last for two days are promising and may last until 20 September.

Guerrilla commander Shafik Handal says that the FMLN agrees with all of the UN secretary general's proposals. Following a meeting with Perez de Cuellar, Handal said that his proposal is aimed at ending the 11-year civil war in El Salvador and at facilitating the final phase of the negotiations.

We positively welcome the proposal, said the FMLN representative, adding that it may prove fruitful. Nevertheless, he accused the Salvadoran Government, particularly the military leaders, of conducting a campaign against the year-long truce proposed by the guerrillas. This attitude, according to Handal, is tied to the attitude of the government and the Army toward the unilateral truce the guerrillas declared on 13 September. This guerrilla initiative was intended to create an appropriate atmosphere during the meetings with the secretary general, he added.

Handal charged that the government has taken advantage of this unilateral truce to conduct an offensive in territories controlled by the guerrillas, where he said large-scale confrontations have developed. This situation proves which side favors a continuation of the war and which side does not, Handal said, adding that the military have said at the top of their voices that they will not accept the truce.

Perez de Cuellar's proposal is viable, Handal stressed, adding that the guerrillas cannot see why the government would [words indistinct]. He said since 16 September, when the guerrillas and the Salvadoran Government first held separate meetings with the UN secretary general, the first steps toward an agreement have been taken. Once this agreement is achieved, it will be necessary to establish a (?positive) negotiations agenda.

Handal did not dismiss the possibility that the FMLN and Salvadoran Government might meet in New York once an agreement is reached. Salvadoran President Alfredo Cristiani said after a meeting with Perez de Cuellar that progress has been made. The UN secretary general will again meet separately with Cristiani and the FMLN representatives.

Meanwhile, the U.S. visas for the members of the FMLN delegation expired at midnight last night. According to guerrilla sources, the UN General Secretariat is processing an extension of the visas.

Spokesman on Progress

PA2009045491 San Salvador Canal Doce Television in Spanish 0309 GMT 20 Sep 91

[Telephone interview with Dr. Oscar Santamaria, official spokesman and member of the Government Dialogue Commission, from New York by unidentified reporter—live]

[Text] [Unidentified reporter] Dr. Santamaria, what has transpired so far in the meetings with the UN secretary general? What agreements, if any, have been reached?

[Santamaria] Good evening. I want to thank Canal Doce and Al Dia Program for letting us into every Salvadoran home. Regarding your question, I can tell you that the discussions have continued today as part of the agenda established by the UN secretary general. The UN secretary general met this morning and afternoon with the president of the Republic and with members of the FMLN [Farabundo Marti National Liberation Front]. This is part of the work that is being done to listen to the proposals by the government and the FMLN representatives on the recommendations made by the UN secretary general. The UN secretary general's recommendations are intended to find ways or alternatives to resolve the agenda of the peace process, which has somewhat bogged down.

Some progress has been made... [pauses] As the government, we have given our views on this fourth day of meetings and the UN secretary general is compiling the opinions of both parties. From this, we can begin to create a program or format of the agreements which may be reached. The work has been carried out as scheduled and has yielded the results that the UN secretary general was expecting.

So far, we do not have any specific results to report to the Salvadoran people, but I can tell you that we are moving closer to a consensus. We are trying to find points of agreement with this effort being carried out at the highest levels.

[Reporter] Can you deny or confirm a report that was learned tonight here in El Salvador that there is a possibility that a mixed commission comprising three members of the FMLN, three members of the government, and one member of the United Nations could begin to work on reaching a cease-fire agreement by the end of the year? Can you deny or confirm this report?

[Santamaria] Perhaps I must say that the possibility that a small commission could begin to work is being discussed. Of course, the president is accompanied by representatives of the dialogue commission. Dr. Escobar Galindo, Col. Mauricio Vargas, and myself are here. The FMLN representatives, who had been working in small commissions on previous occasions, are also here. They have been working to see if it is possible to make progress in the discussions. In this case, meetings at that same level have not been ruled out. This afternoon, we held a meeting. We met with a small Salvadoran Government delegation and a small FMLN delegation. We talked about the issues, viewpoints, and proposals that have been made to the secretary general in the search for a rapprochement that could contribute to the efforts made by the secretary general for the final drafting of agreements.

[Reporter] Dr. Santamaria, what will be the new mechanism for the negotiations?

[Santamaria] Once we have completed the stage we are now in, that is, once the obstacles in the way of the peace process are overcome, all we must do is agree on a timetable. We are working with a dynamic agenda that can lead to agreements in the short run. We could also agree on the possible sites for a meeting once this one is over. We could then begin working on agreements, especially on matters that were not discussed on the agenda, such as the Armed Forces issue; economic and social issues; and the most important issue, the cease-fire. This is the preamble of what we are looking for so that we can immediately draw up a program that can lead us to the search for the agreements I just mentioned.

[Reporter] Dr. Santamaria, would you describe these four working days as a success?

[Santamaria] [10-second break in reception]...the hopes to come out ahead in this negotiation. As I said before, the results have been encouraging. There is a will to contribute to the negotiations. Undoubtedly in these cases once in a while one of the sides tries to take advantage of the publicity or propaganda. That is what the FMLN was trying to do with other announcements, but as for the work done by the secretary general [words indistinct] a very positive meeting.

[Reporter] All that remains for me to do is to thank you for this telephone conversation. The Salvadoran people, of course, have been informed of what is going on at the UN headquarters in New York, where both the government and the FMLN seek to attain peace for the country. Good night to all in New York, Dr Santamaria.

[Santamaria] Good night and thanks for allowing us to talk to the Salvadoran people. We are at your disposal for another occasion.

[Reporter] We are going to keep making these contacts, Dr. Santamaria. Thank you.

Update on Talks

PA2009043391 San Salvador Canal Doce Television in Spanish 0300 GMT 20 Sep 91

[Report by journalist Ernesto Rivas from New York—live telephone relay]

[Text] Good evening, television viewers. Here is my report:

The government and guerrilla representatives met today at the UN headquarters to discuss UN Secretary General Javier Perez de Cuellar's proposal. This is the first joint meeting of the parties with Perez de Cuellar and it will be the fourth round of the separate talks that began on 16 September.

President Cristiani has acknowledged that advances have been made and that there are points of agreement between the parties for the first time. He said the government is trying to get somewhere and that is why it has presented a flexible attitude at the meetings. Commander Shafick Handal has also admitted that advances are taking place and said nothing was rejected in the proposal during the meeting held on 19 September.

Cristiani and Handal refused to give details of the documents being discussed. However, a creditable source has said that they are currently working on the formation of a new commission that is to continue discussing the agreements reached at this meeting. The commission would include three government representatives, three guerrilla representatives, and two UN delegates. It has been said that the commission would play a more important role than the one carried out by the negotiators up to now. The commission would work on a permanent basis and would have a new agenda to speed up the negotiation process. The agenda would not include the points that have already been agreed upon by the parties. There would be an established schedule to reach agreements on the points that are still pending. Sources close to the dialogue have reported to us that it is expected that the formation of this commission and the changes in the agenda would unblock the process and be a strong push toward the attainment of peace.

The agreements will not be announced until 20 September, but these have been described as predominantly positive. The same sources have reported that the truce proposal presented by the Farabundo Marti National Liberation Front, FMLN, was not accepted. The UN proposal presented on 19 September will leave the Caracas agenda to one side and this, it is also said, is very positive for both sides. It was also known that Perez de Cuellar held a private meeting with President Cristiani in addition to holding meetings with delegates from both parties. Details of the meeting with President Cristiani were not reported.

We also have reports that both parties met separately with representatives from friendly countries, such as Jorge Montano, the Mexican Ambassador to the United Nations. The meetings with Perez de Cuellar will end tomorrow but the commissions appointed at the UN headquarters on 19 September are expected to continue meeting until 21 September. President Cristiani will probably return to El Salvador in the afternoon of 20 September. This is the end of my report from UN headquarters in New York.

Cristiani 'Responsible' If War Continues

PA1909143591 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 18 Sep 91

[Station commentary]

[Text] It will be the responsibility of President Alfredo Cristiani and the High Command if war continues in our country and the best chance for peace it has had to date is lost. The beginning of a new and most important round of negotiations, parallel to the UN General Assembly meeting, presents the best atmosphere that the Salvadoran people have to find peace with ample world support. The Farabundo Marti National Liberation Front [FMLN] has presented a proposal at the negotiations table that, if the Nationalist Republican Alliance [Arena] government and the Armed Forces are reasonable and sensible, could mean the end to the armed conflict for 6 million countrymen. The country cannot allow Cristiani to continue saying no to peace and allow himself to be washed away by the currents of a war without victories, promoted by soldiers who are the great impresarios of Salvadoran blood.

Today Cristiani and the stubborn military, under national and international pressure, are harvesting the irresponsibility of coming to the UN empty-handed, except for the word no on their lips. On that same line, the international community, especially the group of friendly nations of the UN secretary general and Security Council, also have the opportunity to support the realistic options to attain peace and national reconstruction.

The United States, which trained, advised, and financed one of the two armies for 11 years, also has a great opportunity—and the moral obligation—to sheath its double-bladed policy and prefer stability founded on justice, democracy, truth, and mutual respect. As all the voices of the planet support peace and reconciliation in our country, the United States cannot leave open the valve to the Armed Forces headquarters, that is already running over with corrupt soldiers and criminals.

We realize that reconciliation and national reconstruction will not come easy after 11 years. Therefore, the FMLN and its Army firmly holds an olive branch in their hands. Peace cannot be postponed. The FMLN hereby pledges, before the nation, all of its will and strength to close this era of war and to open, with energy and without any reservations, an era of peace and real democracy without impositions from the military headquarters.

FMLN Commander Villalobos Comments on 'War'

PA1909195791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 17 Sep 91

[Part 1 of 'article' by Joaquin Villalobos, commander of the Farabundo Marti National Liberation Front: "Peace, To Accept Reality and Turn it Into Agreements"]

[Text] A superficial glance could make one say it is possible to implement a disarmament process on the FMLN [Farabundo Marti National Liberation Front] in the war in El Salvador, once the causes for it end. One would be [words indistinct] with this glance, after 10 years of a war that is only surpassed in Latin America by the Mexican revolution as a military and social phenomenon.

The Salvadoran conflict has been raging for over 10 years. The civilian and military victims almost total (?100,000.) There is a virtual division of territory. The United States had to become involved in a manner that is disproportionate considering the country's geopolitical importance to ensure that its allies would not be overrun. It is clear that the scope of the conflict does not fit in with a simple solution, based on the recognition of the institutional nature of one of the sides and the call on the other side to lay down its weapons.

The problem goes beyond political hopes and ideological stance. Ten years have not gone by in vain. They deepened differences, divided brothers, [words indistinct] competing interests. We must understand these interests and realities in a cold and pragmatic manner, if we truly want to negotiate. Otherwise, purported negotiated solutions will be impractical and will be nothing more than the extension of political and military strategies to seek to win the war. It is not coincidence that the Armed Forces issues constitute the core of the negotiations. In fact, it is a sign of the scope of the conflict and the existence of unhistorical militarism. There are five powerful reasons making the FMLN disarmament impractical. The participation of everybody in the Army and the police becomes necessary.

The war is at a virtual standoff. The government does not constitute a democratic advantage because its true capacity to govern is constricted by the scope of the conflict. This is no little war one can live with. It is a war that blocks national and regional integration, destabilizes, and can cause major and [word indistinct] jolts. It is an error to return to the idea that time is on the side of one or the other side and that, because of that, negotiations can be stalled and disadvantageous conditions can be imposed on the other side.

The sides are obligated to negotiate with the force they now have, not with one they will allegedly have in the future. Throughout the war a strategy of time and waiting has been used. That is how it has been during the past 10 years. In 1980, the Armed Forces and the right carried out an anti-insurgency operation to resolve the conflict and avoid an uprising. Many mass murders and assassinations were carried out during this period. This effort failed; a fundamentally peasant uprising took place on 10 January 1981, but it failed to defeat the government.

The Army viewed this situation as an advantage, as it devoted itself to a swift resolution effort with many mass murders and military operations in rural areas. In 1982 it became clear that these Army operations had failed. A rebel army was consolidated, maintaining a major military offensive throughout 1982 and 1983, wiping out hundreds of Army positions, annihilating full units, and placing the government on the brink of collapse.

To avoid defeat, the United States began a major escalation of military aid in 1984; it was then that the idea that time was on the side of the Army emerged for the first time. The Army's strength and air force was increased. The Army managed to contain to some degree our territorial expansion in 1985 and 1986. The rebel army answered the challenge of time. It changed its tactics and began a plan to marshal its forces, which included escalation and, for the first time, produced a standoff in the war. In the wake of the Central American presidents' accords in 1987, the idea that the guerrillas were headed for defeat gained strength, and all possibilities of negotiation centered around disarmament and surrender. The FMLN made use of its accumulated strength in 1989, seeking to break the standoff. It launched the largest military offensive in the history of the war, and once again put the government on the brink of collapse.

In 1990, and without the Army being able to recover from the 1989 situation, the rebel army launched a new and different offensive that neutralized the air war. Once again, both parties were even and finally there were conditions for a serious negotiation within the framework of the United Nations. Twice the Army tried short-term strategies; twice it tried long-term strategies; and now it is trying a third long-term strategy.

In other words, throughout the course of the entire war, the rebel army has launched four important offensives and it has shown it has the capability to adapt itself to extremely difficult conditions in the material and human aspects.

It has been learned how to accumulate strength so that, at a given moment, it can launch an offensive. The most difficult moments for the current (?forces) were in 1981 and [words indistinct] when conditions were very adverse. The current situation is good for the FMLN.

As a result of the events in Eastern Europe, the electoral defeat of the Sandinists, and the crisis in the Soviet Union, there is the notion that time is in favor of the Army, which believes that to win the war all it has to do is to stall the negotiations, to maintain military pressure, and to wait for the FMLN to grow weak. This assessment is the result of ideological illusions. The FMLN has never depended on the socialist camp—not on the financial, or the logistic, or the political aspect.

The socialist camp supported states, not liberation movements, especially not in Latin America. Any direct support provided by the socialist camp was insignificant and [words indistinct].

The FMLN was able to take advantage of the regional conflict generated by the United States with its intervention in Central America, to find support. At the beginning of the war it received some support from socialist camp countries such as Bulgaria, Vietnam, the GDR, Korea, and others. It was impossible to sustain this support. Contradictorily, the FMLN benefited from Reagan's policies because he created a suitable framework for generating support that varied according to the intensity of the regional conflict, a support that was never stable.

Had there not been U.S. intervention in Central America, perhaps the FMLN would not have been able to secure assistance. [words indistinct] The FMLN pragmatically took advantage of the situation. Now that the regional conflict is coming to an end, the region is beginning to experience the consequences of the conflict. The region is packed with arms that range from rifles to pistols.

Financially, the FMLN has a broad and complex system to collect and to increase resources throughout the world. The socialist camp never provided financial support. All those countries were experiencing shortages of foreign currency to support Third World countries, and of course they had no dollars to give to the FMLN. Politically, the areas where the FMLN has exerted influence have been Latin America, Western Europe, and the United States. Its influence has touched broad religious, liberal, social democrat, and conservative sectors.

The FMLN is viewed as weakened by the fall of socialism in Europe. This is because the FMLN is identified, ideologically, with the socialist camp. This identification is not accurate, but it is made. The fall of socialism is not so important to the FMLN, and will not weaken the FMLN. The FMLN has been able to favorably ride the world's revolutionary and democratizing wave. The FMLN does not represent the forces that in America have to demilitarize and to democratize themselves.

The FMLN does not function on the basis on the capitalist-socialist confrontation, but on the basis of the North-South contradiction. Nor does it function in the framework of the crisis being endured by the Third World's capitalism.

The fall of socialism has affected the FMLN the same way it affects revolutionaries, reformists, and conservatives of the Third World who have to face a unipolar world.

Cuba has always been too far away to provide logistic support.

Because of the changes that have been made in the FMLN, the end of the cold war has more positive than negative aspects for our organization. We must recall that the democratizing wave that downed the Berlin Wall is the same wave that brought the downfall of Pinochet in Chile, Duvalier in Haiti; is defeating apartheid in South Africa; and has inflicted a mortal wound on militarism and the backward oligarchies of Latin America.

The problem now is not just bullets and war. The FMLN, without ceasing to be a military force, represents at this moment a highly developed political organization that has many fields of action that allow it to adapt to any kind of situation and to keep moving forward.

Today more than ever it is impossible to defeat the FMLN. Any new tactic to gain time is doomed regardless of the political problems and adversities that some may believe the FMLN will have to face. This moment must be used to hold fair and [word indistinct] negotiations. If this does not happen, it must be clearly understood that, sooner or later, there will be new military tension because the two sides will try to gather forces and this effort will have to be expressed at a suitable moment.

To conclude: Right now, the military correlation of forces is such that there is no possibility of a unilateral disarmament by the FMLN. It is virtually impossible to impose agreements on a force that already thinks as an Army because impositions directly or indirectly imply that there has been a military defeat, something that the Army has been unable to achieve in the battlefield.

Guatemala

* Japan Donates $2.1 Million for Bridge Project

91CA0220E Guatemala City DIARIO DE CENTRO AMERICA in Spanish 29 Jul 91 p 3

[Text] The Japanese Government will give the government of Guatemala a gift of 296 million yen (approximately $2,115,000) to be used to finance the Bridge Construction in Rural Areas Project.

The agreement concerning the project was signed at 1100 hours on Friday, 26 July, at the National Palace. On that occasion, diplomatic notes were exchanged by Minister of Foreign Relations Alvaro Arzu Irigoyen and Japanese Ambassador Hirosuke Oshima.

The donation will be used by the government of Guatemala and the project foreman for the new bridge to be built over the El Zapote in the Department of Huehuetenango will be the General Highway Directorate.

The Bailey bridge now used on CD12 (Departmental Highway) is in very poor condition. Construction of a new bridge is of great importance for the economic and social development of that rural area.

The Japanese donation, in the form of nonrepayable financial cooperation, will be used to build a permanent steel bridge. Work will begin in October 1991 and take about a year to complete.

Last year, the government of Japan made another donation for the same Bridge Construction in Rural Areas

Project ($3.5 million). Two bridges are now under construction, one in San Juan in the Department of Zacapa (Central American Highway) and another in Las Lajas in the Department of Jalapa (National Road). El Zapote is the third bridge in the Ministry of Communications, Transportation, and Public Works project.

* Drought Forces Water, Electricity Rationing

91CA0223A Guatemala City SIGLO VEINTIUNO in Spanish 28 Aug 91 p 3

[Text] Starting next week, staggered rationing of electric power and drinking water service will be implemented on specific schedules for the various sectors, so that it will not upset productive activities. This announcement was made by the manager of the Electric Company of Guatemala, Joel Salvador Toledo, and the Municipal Water Company [EMPAGUA] manager, Alejandro Giammattei Falla.

Toledo remarked that the duration of the electric power cuts is yet to be decided; although in principle it has been estimated as possibly two hours in the morning, and for the same period in the afternoon. This will alleviate the decline in generation at the Chixoy hydroelectric power plant, whose volume of water flow has been reduced substantially as a result of the lack of rainfall over the past few weeks.

It is impossible to predict the length of time that the power cuts will last because, for the present, they are the only option for coping with the shortages in the electric sector. The latter are attributed to the unprecedented crisis besetting the country as a result of the irresponsibility of the previous authorities in this regard. They never concerned themselves with providing suitable maintenance for the generating facilities.

Toledo noted that, in the past, no incentives were given for investments in the energy area, nor were repairs made on either the hydroelectric or thermoelectric power plants. He claimed that there was a lack of positive action that would allow for the reinforcement of the national electrical system.

The manager of the Municipal Water Company, Alejandro Giammattei, announced that drinking water service in the capital city will also be rationed, in accordance with the cuts occurring in the provision of electric power service.

The official explained that all the wells supplying water to city residents operate with pumps driven by electricity. Hence, the suspension of service at certain times, as announced by the Electric Company of Guatemala, will force EMPAGUA to take similar action.

* Chixoy Plant Could Cease Operation in 15 Days

91CA0223B Guatemala City PRENSA LIBRE in Spanish 30 Aug 91 p 8

[Article by PRENSA LIBRE editor Raul Meono Rodriguez: "Chixoy May Operate Only 15 More Days"]

[Text]

Part I: Chixoy Plant, Alta Verapaz

Although the water level at the Chixoy plant's reservoir intake has declined in recent months, the hydroelectric plant can continue operating normally for another 15 days (if there is no rainfall). Hence, rationing is inappropriate at this point.

The foregoing statement was made yesterday to the PRENSA LIBRE reporter by technicians from that plant and members of the INDE [National Institute of Electrification] union branch at the Li-Chinatzul and Quixal camp in Alta Verapaz.

During a tour of the entire Chixoy reservoir, it was proven that the water levels in the reservoir have, in fact, dropped. Its current height is 769.59 meters above sea level, and the minimum that would force the plant to stop operating is 766 meters. In other words, the height was 3.59 meters above the minimum level yesterday.

The Chixoy technicians claimed that this volume above the minimum level for operating the Chixoy plant will enable it to operate for another 15 days without having to resort to rationing.

The Chixoy plant is currently generating 228 megawatts per hour (each megawatt is equivalent to 1,000 kilowatts, and the latter, in turn, contain 1,000 watts). According to the technicians, if power is rationed consumption will decline at intervals, but will increase again when the power is reactivated.

Technicians Paul Tarot, Raul Marroquin, and Victor Belteton, and trade unionist Ricardo Corazon de Leon, declared that this situation makes it unnecessary for INDE to enact rationing which, they added, would only upset the nation's economy.

Chixoy Has Operated at Lower Levels

According to the statistics, Chixoy has on other occasions operated at levels lower than the one currently existing in the reservoir. For example, on 9 June 1989, the plant was operating with a water height of 767.84 meters above sea level: that is, 1.84 meters over the minimum. It now stands at 3.5 meters over that level.

The only difference from the present season is that, in that year winter was beginning, and now it is about to end. Statistically, however, history indicates that the month of September is the rainiest of all seasons. Therefore, the reservoir level is expected to rise within a few days to its maximum height of 800 meters above sea level, which is where it overflows.

Lack of Foresight Cause of the Problem

The Chixoy technicians maintained that the lack of foresight among the INDE authorities, in failing to purchase three retaining wall gates, has caused the shortage of water, and possibly of power, at various times since the hydroelectric project was initiated.

They claimed that those gates should have been installed in the upper part of the retaining wall; which would allow the water, instead of overflowing, to be stored in an amount approximately 7 meters higher. However, since they do not exist, despite the fact that the foundations have already been designed, that volume of water is being lost every year when there is a good winter.

If those 7 meters of water had been stored, the current reservoir level would be 776.59 meters above sea level. In other words, it would be 10 meters and 50 centimeters above the minimum level; and that amount would suffice to generate power for many days.

The Only Solution Is Rain

According to the Chixoy technicians, rationing, besides being inappropriate, is not the solution; because if it fails to rain within the next few days (and this is not expected to happen), the plant will have to be shut down in 15 days. At the same time, however, there are other options for generating power: namely, by activating other existing plants. We shall explain them in our second part tomorrow. (to be continued)

* Labor, Indigenous Groups Join Opposition

91CA0220D Guatemala City SIGLO VEINTIUNO in Spanish 10 Aug 91 p 7

[Text] Various labor unions and people's organizations staged demonstrations in the capital and interior yesterday to protest the increase in electric rates, forced recruitment, and other situations mainly affecting the country's poorer classes.

The demonstrations began in the morning when representatives of the 22 affiliates of the National Electrification Institute Workers Union (STINDE) assembled in front of the congressional building to express their discontent with the hike in electric rates and the imminent privatization of INDE [National Institute of Electrification]. They then marched to the National Palace and the INDE facilities, where the demonstration ended.

The general secretary of the Guatemala branch, Luis Alfredo Alvarez, said the march took place in the streets because they had been told that Alvaro Heredia, minister of communications, transportation, and public works, had prohibited the assembly from being held in the Salon de Correos as planned.

Marco Antonio Solares, an assistant in that ministry, responded that Alvaro Heredia had no knowledge of the petition filed by union members.

Elsewhere, in Huehuetenango, the STINDE organization in that department staged a protest in front of the Departmental Government building in support of demonstrations in the capital.

At 1600, various people's and labor organizations belonging to Unity of Trade Unions and Popular Action (UASP) staged another demonstration that left from Plaza Italia, traveled down 7th Avenue, and ended at the Plaza Central, where several speakers expressed their discontent with the increase in electrical rates.

Noteworthy in the demonstration was the participation of Indian women belonging to the National Commission of Widows of Guatemala (CONAVIGUA) and the Mutual Support Group (GAM), who were mainly protesting forced recruitment.

Late in the afternoon, members of the Association of University Students (AEU) staged another protest at the Petapa roadway opposite San Carlos University in support of the UASP position.

The students halted automobile traffic and burned tires.

* INE Study Finds 75 Percent at Poverty Level

91CA0220B Guatemala City CRONICA in Spanish 9 Aug 91 p 36

[Article by J. Mazariegos de Leon]

[Text] The data provided by the "Poverty Profile" study recently completed by the National Statistics Institute (INE), based on the results of the 1989 National Sociodemographic Survey, make one shudder. The report, published on 30 July, reveals that 75.5 percent of all households (1.2 million) live at the poverty level and that 54 percent of these (869,000) are destitute. What is new about this research is the fact that the methodology used by the INE to measure poverty was based on family income and was determined on the basis of nutritional requirements, essentially the basic food basket, which, using market prices, defines the threshold of being destitute.

Based on this criterion, the INE totally changed its method of measuring poverty, for it now quantifies not only permanent poverty, but circumstantial poverty as well. The results reveal that three-fourths of all households cannot meet their basic food needs, a fact that has a very serious impact on the mental and physical development of Guatemalans. The data are also revealing because they demonstrate that family income is far below what the basic food basket costs: in the urban area, 396.85 quetzals a month per household at June 1989 prices and, in rural areas, 281.22 quetzals. As if this were not enough, regional differences in the magnitude of poverty are highly significant. For example, the northern region, made up of Alta and Baja Verapaz, and the northwestern region, made up of Huehuetenango and Quiche, had the highest percentages of destitute and poor people, with 89.5 and 74.2 percent, and 88.4 and 76.7 percent, respectively. In contrast, the metropolitan region has the lowest level of poverty (about 60 percent), still an alarming figure. The study also reveals that the proportion of the population living in poverty is 80 percent nationally and, those who are destitute total 59.3

percent, meaning nearly 6.9 and 5.1 million persons living on the brink of destitution.

The INE data lead to the conclusion that during periods of prosperity, the majority of the people failed to benefit as certain minorities did, while during times of depression, it is they who are nevertheless required to bear the greatest burden of the adjustment.

* Inequality, Illiteracy of Women Studied

91CA0220C Guatemala City EL DIARIO DE CENTRO AMERICA in Spanish (EL TUCAN SUPPLEMENT)12 Aug 91 pp 2-3

[Article by Marco Vinicio Mejia Davila]

[Excerpt] [Passage omitted] On the occasion of International Literacy Training Year, declared in 1990, UNESCO revealed that of the 965 million illiterate adults over the age of 15, 561 million were women, 548.5 million of whom were living in so-called Third World countries, mainly in rural areas.

According to the Guatemalan National Committee on Literacy Training (CONALFA), 60 percent of the total estimated population of women 15 and over was illiterate in 1989, while the percentage was lower among men (45).

In other words, given a total of 1,505,600 illiterate women, the male population with the same lack of education was significantly smaller: 1,088,026.

Literacy training for women is a difficult task and many obstacles must be overcome, one that might well discourage many officials, whatever their level or sphere, and women themselves.

Despite the fact that this great body of illiterate women makes relevant contributions to the gross domestic product (GDP), while raising children and preserving the cultural identity of their communities—without any official recognition of the fact—they rarely have a voice and scarcely ever exercise the rights they have achieved with such great difficulty. Moreover, they often do not demand them because they are not even aware of them, particularly the right to education.

The most deprived of all Guatemalan women are rural and especially Indian women. Despite this fact, very little research has been done and very few surveys have been conducted concerning literacy training for adult women.

In analyzing the problem, this situation prevents one from taking advantage of practical experiments with literacy training for women—ever more varied—being conducted throughout the world.

One can nevertheless make two valid statements concerning literacy training for peasant and Indian women. The first is that even when well-intentioned, literacy training must not be imposed because long-range results would be minimal and because strategies generally designed by men would prevail.

The second has to do with the failure of the traditional conception of literacy training, which views it as an end in itself. While the definition of this process must include the techniques of reading and writing, it is not limited to them, for there must also be a political vision that considers literacy training as part of the transmission of power to the less privileged.

Although this definition applies to men as well as women, it has special importance for women because they are more oppressed.

At the present time, literacy training for women has two focuses. The first is "feminist" and emphasizes the role which the process plays in achieving broader and fairer participation in society, in addition to being a means for women to be freed of any type of oppression.

The second focus is "functional" and of a practical nature, recommending literacy training as a means of living better or, in the immediate future, a way to enable women and their families to survive.

One cannot choose only one of the alternatives because they are often complementary. For reasons of space, we shall turn to the second briefly, for it is apparently also the one closest to the interests and needs of peasant and Indian women.

Much research has shown that the health of children depends to a great extent on the level of education of the women.

A literate woman is better able to handle a critical situation resulting from diarrhea, for example. The Ministry of Health reported in 1989 that this was the main cause of infant mortality in Guatemala in children between the ages of 0 and 5.

Many Guatemalan women are unaware of the causes of intestinal infections that cause diarrhea and how they should be treated. To fight them, there now exists a solution of rehydrating salts that a literate woman can easily prepare if she follows the directions on the label.

There is also a correlation between education and the rate of infant mortality. In the document entitled "The Children of Guatemala," UNICEF reveals that infant mortality is higher among children of mothers under the age of 20 and that it decreases proportionate to the mother's education (1991:18).

There is likewise a correlation between the level of infant malnutrition and the level of education attained by mothers. Guatemala has high rates of undernourished children, percentages that vary based on the age of the children and the indicator used to measure malnutrition. For example, if one measures malnutrition using as the reference point slow growth based on age, malnutrition affects up to 58 percent of all Guatemalan children. This situation is more severe among children of Indian mothers (72 percent) and in the northwestern region (78 percent). The prevalence of malnutrition is influenced by the mother's level of education. Some 78 percent of the children of uneducated mothers are slow to grow, a percentage in contrast with 25 percent for the children of mothers who have at least a high school education.

Education also reduces the number of early marriages of younger mothers, which helps prevent premature reproduction. This is particularly important in our country because a significant percentage of all children are born to women who are minors. According to data from the National Statistics Institute (INE), at least 15.9 percent of all children born in 1985 were born to mothers under the age of 20.

This practical way of looking at literacy training shows that if it provides income, it will also help women increase agricultural production and participate in the benefits obtained, thereby improving their own welfare as well as that of their families.

Honduras

Callejas Views Nicaraguan President's Visit

PA1909153091 Tegucigalpa LA TRIBUNA in Spanish 18 Sep 91 p 2

[Text] President Rafael Leonardo Callejas has stated that the Nicaraguan president's visit will basically be a rapprochement. He added that, given the economic problems of Nicaragua, "We will show them an example of the Honduran experience."

Callejas added: "Nicaragua has taken the same path that we took in 1990, a path that requires payment of the outstanding debt. To do this, Nicaragua obtained a stopgap loan, signed an agreement with the IMF, and made arrangements with the World Bank."

He said that Nicaragua is entering a phase in which Honduras is already very advanced. "Consequently, we are willing to offer all the advice the president may need for a better negotiation of the Nicaraguan debt."

Callejas also pointed out that President Violeta Chamorro is interested in various social programs that have become known in her country, such as the Honduran Social Investment Fund, the Mother Head of Family Program, and the Food Bonus.

Regarding a petition for a 70-percent salary readjustment demanded by the teaching sector, Callejas was emphatic in stating that "the government does not have the means" to meet their demands.

He added that this petition probably came from some teachers' group, as the government has already agreed with the rest of the associations that those salary levels will be reached within a period of three years.

President Violeta Chamorro will travel with a delegation consisting of: Foreign Minister Enrique Dreyfus; Presidency Minister Antonio Lacayo; Economy Minister Silvio de Franco Montalvan; Central Bank President Raul Lacayo; and, other government officials of the economic sector.

Upon her arrival, President Chamorro will hold a private meeting with President Callejas at the Government House.

Members of the Nicaraguan delegation will subsequently meet with their Honduran counterparts for a work session. A second meeting, presided over by both presidents, will take place in the afternoon.

Callejas on Solving Social Security Fund Crisis

PA1909164891 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 18 Sep 91

[Report by Marvin Lopez]

[Text] President Rafael Leonardo Callejas said today that the government is not completely responsible for the Social Security crisis and that any reform in that institution can only be approved through a consensus.

Callejas stressed that his government will not support a raise in contributions until Social Security authorities, employers, and workers reach an agreement.

[Begin Callejas recording, in progress] ...1. The government is only willing to fight the Social Security's problem with the aid of the other sectors. The government cannot solve this problem alone.

2. We do not support changes in contribution ceilings if all sectors do not agree with this measure.

3. If financial decisions are not taken, Social Security will irrevocably go bankrupt. The government will contribute its share only if there are solutions to relevant problems.

We are ready to cooperate with Social Security, but I am under the impression that the other two sectors are not as aware of the financial problem of Social Security as we are. If they do not become aware of this situation, they will have many problems.

Politically, we are willing to suggest a reform to Social Security legislation to allow the institution to become autonomous. This has already been done at the Board of Directors level. I am willing to let this board choose the Social Security director. [end recording]

Nicaragua

Reaction to Withdrawal of Suit Against U.S.

FSLN's Ramirez

PA1909204891 Managua Radio Sandino in Spanish 1200 GMT 19 Sep 91

[Text] The government violated Nicaraguan sovereignty by withdrawing a suit at the International Court of Justice [ICJ] at the Hague. Sergio Ramirez, deputy of the Sandinist National Liberation Front [FSLN], referred to the government decision to withdraw the suit filed at the ICJ against the U.S. Government as a misguided action that upsets the constitutional concept of sovereignty in Nicaragua.

Ramirez said that the government's decision upsets a precedent set in international law where a small country like Nicaragua won a battle from a colossus like the United States. The FSLN deputy noted that now that the Cold War is over the United States is free to choose whether or not to attack any country. The 39 FSLN deputies are to meet today to define their views and stance regarding the suit against the U.S. Government because the Chamorro government renounced a $17 billion compensation.

'A National Shame'

PA2009012791 Managua BARRICADA in Spanish 18 Sep 91 p 3

[Text] After months of avoiding a national debate on Nicaragua's case at The Hague International Court of Justice [ICJ], the government yesterday officially dismissed its suit against the United States at the ICJ, shamefully asserting that we have now become "very close friends" with the United States.

The government's decision was kept secret for five days. It was not made public until 12 September, one day before the World Bank and the IDB [Inter-American Development Bank]—institutions that have a great deal of clout in the U.S. Government—certified Nicaragua's payment of its loans. Nevertheless, Foreign Minister Dreyfus unabashedly claimed this was "a mere coincidence."

According to the official justification, the case was dismissed because Nicaragua has received $800 million in U.S. aid, thereby becoming third on the list, after Israel and Egypt, given the amount of aid it receives. This may have been the rationale behind the decision, but a much more valid argument would have been that the aid is a mere drop in the bucket compared to the $17 billion that the U.S. would have had to pay in war reparations. Moreover, unless there has been an agreement under the table, Nicaragua has dismissed the case in exchange for nothing.

If the alleged benefits for dismissing the case are so obvious—as it was said since the beginning—we are then faced with a case of blackmail and political pressure to which our government gave into in silence and with little dignity. It would have been quite different if negotiations had been held out in the open where our national interests could be heard and our respectful relations with the United States could be observed. In fact, just the opposite occurred. Foreign Minister Dreyfus has made us appear submissive by excusing the U.S. from complying with the jurisdiction of an international court that represents the same principles of international law paraded by Washington to unleash the Persian Gulf War.

The issue has grave legal, moral, and political consequences. The government has violated the Law Protecting Nicaragua's Rights, or Law 91, according to which the only condition under which the case could be dismissed was if the United States agreed to compensate Nicaragua. This decision certainly diminishes the government's credibility. The government's promises to abide by the law and basic rules of sovereignty appear to be mere rhetoric. At the political and moral level, the government has caused irreversible damage for the Nicaraguan people and the Third World. The case at the ICJ was never a partisan or revengeful issue. It was a national and dignified cause for the fatherland. Moreover, if the case were won by Nicaragua, it would establish a historical victory for all the small nations who appeal to international law when faced with the abuses of the all-powerful nations.

This government did not have the right to dispose of our national heritage or of other nations' political heritage in that fashion. This is a national shame.

Report on Sandinist Occupation of Sugar Mill

PA1909165991 Managua Radio Corporacion in Spanish 2300 GMT 18 Sep 91

[Report by Hector Sandoval]

[Text] [Sandoval] Good afternoon, listeners, a last-minute report has informed us that the German Pomar Ordonez Sugar Mill has been taken over by force by Sandinist mobs, who arrived armed with clubs, sticks, machetes, and apparently, firearms. Carlos Guadamuz, an independent workers' union leader who is traveling to Managua to file a report, will now give us a report on what happened this morning when the furious and deranged Sandinist mob occupied the German Pomar Ordonez Sugar Mill in El Viejo jurisdiction, Chinandega Department. Carlos Guadamuz, what can you tell us?

[Guadamuz] What happened is this. Today at 0700 we all went to work and found some banners on the gates, and a list of names of people who were not allowed in to work. They all belonged to the independent workers union. [words indistinct] according to the sugar mill's opinion. There was a publication in BARRICADA the other day, or there about, that said that ownership of the mill is being endorsed to the Lacayo family. That is logical, given that they could not manage the country's economy during 10 years, and now all there is at that sugar mill is destruction. Therefore, we now find ourselves outside and we are not being allowed in. The majority of the people that have jobs are outside.

We reported this to the police. We were received by Captain Chong, who has paid no attention to the situation. Someone has already been hurt. When they would not allow a cook to enter, he had to hurt a Physical Protection Corps member.

These are people that no longer have jobs because the harvest is over. They are being used. They have been told that their jobs will be guaranteed so they took control of the gate to prevent those who really work there to enter.

We would like to request that the government state its present position on the sugar mill workers situation, as it has acted so weakly with the Sandinists. Or is it that they are walking hand-in-hand with the Sandinists? We also met with the sugar [word indistinct] at about 1430, with Pastor Torres. Pastor Torres told us that he was going to solve the problem, but they always say that they are going to solve the situation, and it is the Sandinists who always win. The independent workers union always runs into this sort of situation.

We want to call out to the authorities, and especially the government, to take the necessary measures, or they will not leave until this government's six-year term is over.

Panama

Civic Crusade Leader on Government's Attitude

PA1909170991 Panama City Radio KW Continente in Spanish 1200 GMT 18 Sep 91

[Report by Alexandra Ciniglio on statement by Civic Crusade Coordinator Alberto Conte]

[Text] The government of President Endara has assumed an ostrich-like attitude, according to Civic Crusade Coordinator Alberto Conte. Alexandra Ciniglio has the report.

Now that hunger strikes are old-fashioned, it seems that strikes by workers throughout the country will be in fashion. Therefore, it has already been said that this is only a political offensive against the current democracy. Civic Crusade leader Alberto Conte believes that the group of strikers is very big and cannot be generalized.

[Begin Conte recording] There are two groups. One is comprised by those who participated in the struggle to overthrow the tyranny and contributed a lot to that struggle, as the group of teachers and professors. The other group is comprised of workers, which must also be divided into two groups. Unfortunately, a great number of teachers in Panama have been left with no other way to demand respect for their simple subsistence, which is receiving their salaries. Therefore, to a certain extent, with this strange attitude, contrary to the tyranny's slogan attack the enemy, the government has attacked its friends. [end recording]

Conte said that there is a group that considers strikes an excuse to destabilize Endara's government.

[Begin Conte recording] Within the workers, there are also two groups. There is a group of workers who are really seeking attention for their needs. Many of them are just going along with the mode of strikes, stoppages, and pressures, which apparently is the only method that works with the government. In that manner, they are trying to obtain one of two things. Some of them are trying to obtain wage increases and other benefits. Many others who belonged and participated in supporting the dictatorship's corruption are trying to destabilize the government. [end recording]

Alberto Conte also referred to the attitude assumed by the national government to face the problems.

[Begin Conte recording] The government has adopted the attitude of an ostrich, which hides its head in the sand believing that they can avoid contact with reality. They will receive a terrible blow one of these days. [end recording]

Labor Minister Analyzes Issue of Strikes

PA1909175991 Panama City LA PRENSA in Spanish 19 Sep 91 p 1A

[Article by Manuel Alvarez Cedeno]

[Text] Labor Minister Jorge Rosas said a "series of suspicious and strange coincidences" have occurred in connection with the wave of stoppages, strikes, and demonstrations that have been conducted in Panama in the last three weeks.

Teachers, Balboa Port workers, doctors, Bocas del Toro people, restaurant owners and workers, and Colon Free Zone transportation workers have carried out marches and stoppages aimed at exerting pressure on the government in order to collect their labor benefits.

Rosas was interviewed yesterday on the steps of the Presidential Palace, and he said that there are several "strange coincidences within these movements, above all in the political and private sectors, because there is no labor conflict in the private sector."

He said that, for example, the banana company workers identify with and endorse the protests and the stoppage in the province, and that this "is a strange coincidence."

The minister stated his concern about the wave of stoppages and strikes, because the country needs "normalcy....work and more work to recover from the economic crisis and solve the unemployment problem."

Rosas refrained from commenting when asked if the protests are part of a plan prepared to destabilize the government, because he "has no grounds to pass judgment on this."

Nevertheless, he reasserted that "strange coincidences" have occurred in those stoppages and strikes.

'Crisis Committee' To Handle Emergencies

PA1909232891 Panama City EL SIGLO in Spanish 18 Sep 91 p 8

[Report by Aneldo Arosemena]

[Excerpt] Menalco Solis, director of the Council for Public Security and National Defense [Conasepuden], has been authorized to assume "absolute" powers during national emergencies. This decision was a result of the creation of the so-called "Crisis Committee" that now operates within the Conasepuden.

According to Panamanian investigative sources linked to Solis, the political intelligence organization, which is under the Presidency and is run by the former planning and treasury minister of the defunct military regime [Menalco Solis], agreed during one of its regular meetings to create a "Crisis Committee" to be headed by Solis. Solis has been authorized to make "crucial" decisions during emergency and national crises when it is necessary to centralize decisionmaking.

We were also informed that the institutions that make up the Conasepuden—formed by National Police Director Gonzalo Menendez Franco, the Judicial Technical Police [PTJ] Director Osvaldo Fernandez, Attorney General Rogelio Cruz, Immigration Director Antonio Dominguez, and Institutional Protection Service Director Carlos Bares—were instructed at a seminar on the tasks of this "Crisis Committee."

Nevertheless, police officials and persons responsible for repressing the jail uprising on 14 September told EL SIGLO that the "Committee's" plans had been a total failure during this emergency situation as the decisions were made at the military level and by noncommissioned officers and mid-level PTJ and police officers. Menalco Solis and the National Police Director Menendez Franco were nowhere to be seen and showed up at the Modelo Jail after the situation was virtually under control.

Solis' intelligence activities are a mystery, but it is known that he operates through a team of informants throughout the national territory. His informants come from all social and professional sectors and include reporters. [passage omitted]

Argentina

Withdrawal From Nonaligned Movement Announced

PY1909150691 Buenos Aires TELAM in Spanish 1419 GMT 19 Sep 91

[Text] Buenos Aires, 19 Sep (TELAM)—President Carlos Menem announced that Argentina is going to withdraw from the Nonaligned Movement because he says that "there is now no reason for it to exist," and he reiterated that "there is only one world in which" the country "will exist."

Menem stated that during the last meeting of nonaligned countries, "Argentina made a series of petitions," including respect for the freedom of press and opinion, political pluralism, and the implementation of human rights, and "none of the proposals was accepted for inclusion in the document." And "another document was approved and we cannot accept it."

The president, in the company of Foreign Minister Guido di Tella, made the announcement during a news conference in the press room of Government House.

Menem Explains Decision

PY1909160091 Buenos Aires TELAM in Spanish 1530 GMT 19 Sep 91

[Excerpts] Buenos Aires, 19 Sep (TELAM)—[passage omitted] During a news conference at Government House, President Menem, in the company of Foreign Minister Guido di Tella, stated that the decision "is being submitted at this moment" to the Nonaligned Movement member countries, all the nations of the world, and Argentine political parties.

The president flatly denied that the Argentine Government's decision is related to the possibility of imminent access to the benefits of the Brady Plan, which would help reduce the foreign debt, when he said: "It has nothing to do with it." [passage omitted]

Explaining the decision, Menem said: "We are a sovereign country, and the same way we became a member in 1973 we are now withdrawing" from the Nonaligned Movement. He then added: "We have adopted this measure, this attitude, without taking into account the reaction of the countries of the so-called First World, because there is only one world and we are a sovereign country."

Finally, after explaining Argentina's proposal and the rejection of the three points during the last meeting of the nonaligned countries in Ghana, Menem said: "Argentina cannot remain in a movement that evidently does not respect human rights nor freedom of the press; neither does it take into account ideological pluralism."

Communique Explains Withdrawal

PY2009033891 Buenos Aires TELAM in Spanish 0226 GMT 20 Sep 91

[Text] Buenos Aires, 19 Sep (TELAM)—Tonight, the Argentine Foreign Ministry released [words indistinct] Argentine withdrawal from the Nonaligned Movement, pointing out: "We are all aware of the profound changes taking place in the world."

The document reads: "A new world necessarily leads to a review of the national position because it is impossible and unwise to face the challenge of the future with instruments of the past."

The Foreign Ministry communique recalls that the Nonaligned Movement [NAM] was founded in Belgrade in 1962 "in the context of the Cold War," and that "the primary threat was the acute ideological conflict and the arms race that divided the world into blocs and was leading it toward a possible nuclear holocaust."

Evaluating how Argentina joined the movement, the communique says that in 1973, under the Justicialist administration, Argentina became a full-fledged member of the movement and that General Peron "was the first to proclaim a third position as a human choice in light of the conflict between capitalism and communism."

The communique points out that: "The Argentine decision to join the movement also reflected a growing concern in light of the worsening of the conflict between the superpowers and the conviction that in a turbulent world, the unity of the developing world was a precondition for the individual achievement of each state."

The communique also reads that the movement "is currently not in a position to effectively contribute to the consolidation of an international order based on the UN Charter," and that "if this situation is maintained, it could even become a self-defeating factor, encouraging ideologies that are no longer accepted in the world."

The communique also states: "The debates showed that various governments that were very influential in the movement miss the Cold War, insist on political and economic proposals of confrontation, and do not have a cooperative attitude toward the new world order."

The communique adds: "A few months ago we said that we considered it indispensable for the movement to revise its principles, objectives, and tactics. We also noted that we would not renege on our essential values and would not endorse positions that are incompatible with our democracy; nor would we go against the new world order and full respect for human rights."

The communique states: "The end of the Cold War and of the bipolar confrontation has rendered the very concept of nonalignment pointless. Furthermore, the movement clearly no longer responds to the objectives that prompted Argentina to join it in 1973."

The Foreign Ministry adds: "We have not forgotten the firm support on the Malvinas issue that we have received from nonaligned countries and we hereby convey again the Argentine people's profound gratitude to these countries. We cannot forget, however, that in order to obtain that support, on several occasions we had to acquiesce to nonaligned positions that were not in the best interests of international peace and security."

The statement adds: "This decision in no way means that we have given up multilateral action as an instrument for less-developed countries to secure fairer international terms." It notes that "Argentina fully shares the objectives of overcoming underdevelopment, hunger, misery, and inequalities in the world."

The communique adds: "We will further promote economic opening and social and political transformation in the country. We will continue to work side by side with other states within the framework of the Uruguay Round and GATT, and we will continue to fight protectionism and the policy of granting subsidies that have seriously jeopardized our countries' growth."

The Foreign Ministry believes: "It has been proven that there is no justification for Argentina to continue within the NAM and we refuse to renege on values that are essential for Argentine democracy."

The communique states: "We have not taken this position by accident. Rather, it is the result of our own experience with dictatorships. We cannot renege on our essential values if we want to build a new international order that will pave the way for a time of peace, development, and justice. By rejecting what is unacceptable, Argentina has adopted a position that is both politically constructive and ethically irreproachable."

Legislators Criticize Withdrawal

PY2009001991 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1855 GMT 19 Sep 91

[Quotation marks as received]

[Text] Buenos Aires, 19 Sep (NA)—Argentina's withdrawal from the Nonaligned Movement today has been severely criticized by Argentine legislators. They stated that this decision has left Argentina "weak and alone" and "in the middle of the U.S. conspiracy against Cuba."

Dante Caputo, UCR [Radical Civic Union] deputy and former foreign minister, questioned the decision adopted today by President Carlos Menem because, he said, the Nonaligned Movement "greatly helped" Argentina in its claim over the Malvinas Islands.

Moreover, he said that the decision to withdraw from the Nonaligned Movement should have been previously consulted because he believes this is an issue that affects "the nation, not just one single administration."

Caputo said that the Nonaligned Movement always strived "to prevent countries in the Southern Hemisphere from being drawn into the East-West conflict." He explained: "This was not its sole objective" because the organization "became a political club that exercised pressure on all international negotiations."

In a statement to a radio station, Caputo said: "By withdrawing from the Nonaligned Movement, Argentina will be alone and weak." He also noted how the Nonaligned Movement "greatly helped" Argentina "during the Malvinas war and over the Malvinas issue."

Caputo wondered: "What would Argentina lose by remaining in the Nonaligned Movement? Nothing, I think."

Juan Pablo Cafiero, a deputy representing the Group of Eight, said that the Argentine Government's decision to withdraw from the Nonaligned Movement "was unilateral" and it has placed Argentina "in the middle of the U.S. conspiracy against Cuba."

Cafiero, vice chairman of the Chamber of Deputies Foreign Relations Committee, said that this decision is part "of a U.S. maneuver to destabilize and isolate Cuba."

In a statement to NOTICIAS ARGENTINAS, Cafiero said that everything that the Foreign Ministry is doing on this issue "seeks to present Argentina as the new loyal U.S. ally in the upcoming UN General Assembly."

Cafiero also severely criticized the Foreign Ministry for not fulfilling the commitment it made to Congress. It promised that, before adopting any decision of this nature, the matter "would be debated in Congress."

The Buenos Aires legislator also questioned the "Foreign Ministry's individualistic attitude. He said he believes the achievement of a political dialogue or pact is rendered "ineffective" when a government adopts decisions without consulting the opposition parties.

Cafiero urged opposition leaders "to refuse to sit at the negotiating table" because he believes "such an important foreign policy issue does not fall within the political pact."

Cafiero believes that the Foreign Ministry "is following a Bush administration plan which calls for Argentina to withdraw from the Nonaligned Movement and thus weaken those organizations that have adopted a firm stance on the defense of sovereignty and noninterference in the affairs of other countries."

Socialist Party Deputy Simon Lazara believes that Argentina's withdrawal form the Nonaligned Movement is "shameful." He said that this decision clearly shows that "Argentine foreign policy is completely subordinated to the current hegemonic power, that is, the United States."

Lazara told NOTICIAS ARGENTINAS that the withdrawal from the Nonaligned Movement "undermines Argentine national interests, including Argentine economic interests."

He added: "Argentina shares a common position with many Nonaligned Movement members over the protectionist policies enforced by developed countries and over the foreign debt."

Lazara said that Menem's administration is like "a poor man who boasts about being wealthy but who lives in a shack."

The government decision was announced today by the president. It was also criticized by UCR Secretary General Luis Alberto Caceres who believes that by withdrawing from the Nonaligned Movement, the Argentine Government made "another political mistake." The UCR leader from Santa Fe Province said: "This is further evidence of unconditional and absurd loyalty to the United States, a situation that undermines our sovereignty."

Lazara is concerned that, in view of this decision, "Argentina will not be trusted by either the pro-West powers or by Nonaligned Movement members because we will be identified as deserters."

Trade Surplus Amounts to $1.141 Million

PY2009001891 Buenos Aires BUENOS AIRES HERALD in English 19 Sep 91 p 5

[From the "Business World" column]

[Text] (NA)—The trade surplus for the third quarter of the year was 1,141 million dollars, the Economy Ministry announced yesterday. This figure is 56 percent below the surplus achieved in the same period last year. Exports totalled 3,291 million dollars, whereas imports were 2,150 million, the Economy Ministry reported. Imports were 893 million dollars in the same period last year.

Cabinet Reviews Current Situation, Prospects

PY2009002091 Buenos Aires BUENOS AIRES HERALD in English 19 Sep 91 p 5

[Text] (NA)—Economy Minister Domingo Cavallo instructed the Privatizations Commission to "immediately" draw up a report on the benefits to be derived from the transfer of state firms to the private sector, a press communique pointed out yesterday.

The Piedra del Aguila hydroelectric dam contracts will be modified in order to allow building to be resumed, the statement added. Yesterday, the Economic Cabinet analyzed ways of canceling the Ferrocarriles Argentinos debt with contractors and the manner in which export operations could be simplified.

The legislation pending before Congress was also reviewed, sources said. The sanctioning of labour, ports, financial, energy and fishing laws, and the approval of draft bills overhauling YPF [Government Oil Deposits] and state banks are considered of "vital importance" by Cavallo for the "proper functioning of the economy."

The government is expecting to raise 540 million dollars from the sale of state assets before the end of the year. On Friday [20 September], the Treasury will receive 300 million dollars as advance payment for the sale of ENTel [National Telecommunications Enterprise] shares. The floating of the ENTel shares on the Buenos Aires Stock Exchange will produce a windfall of a further 600 to 700 million dollars for the Treasury, sources estimate.

The privatization of Gas del Estado and Segba [Greater Buenos Aires Electrical Services] will jointly raise 3,000 million dollars, sources pointed out. Additionally, the government coffers will benefit from the inflow of capital from the privatization of central and secondary oilfield areas.

CGT-San Martin Rejects Strike Policy

PY2009001491 Buenos Aires BUENOS AIRES HERALD in English 19 Sep 91 p 11

[Excerpt] (NA-DYN)—The CGT [General Confederation of Labor]-San Martin yesterday distanced itself from a sector of the national government by rejecting their decision to declare strikes against state reform policies illegal. On the other hand, it ratified its support for President Carlos Menem's socio-economic programme.

During a 45-minute meeting with the head of state and Labour Minister Rodolfo Diaz in Government House, the CGT-San Martin also asked Menem to participate directly in the reform of labour legislation.

CGT-San Martin leader Raul Amin rapped Economy Minister Domingo Cavallo for his "rash" decision to declare politically-motivated strikes illegal. He also vindicated the right of workers to defend their jobs but conceded "some leaders may call strikes as a face-saving measure."

Amin said Menem had given "clear instructions" for the payment of wage arrears to the workers of Hipasam mining company in Sierra Grande, Rio Negro.

Ratifying his support for the government's economic programme, Amin said "growth will begin when the private sector begins to have confidence in economic and political stability." As for austerity policies, "it's better to suffer only once," said Amin.

"We're betting on this programme because if there is stability there will be growth," he added. [passage omitted]

Harsher Sentences Urged for 'Painted Faces'

PY2009002291 Buenos Aires BUENOS AIRES HERALD in English 19 Sep 91 p 1

[Text] (NA)—Federal Appeals Court Prosecutor Luis Moreno Ocampo yesterday appealed to the Supreme Court for stiffer sentences against seven officers who led the December 3 carapintada [painted face] Army rebellion.

The prosecutor requested a new definition of the crimes committed by Lieutenant-Colonel Angel David Leon to change the 25-month sentence handed down by the Federal Appeals Court to life imprisonment.

Along the same lines, he requested life terms for Colonels Luis Enrique Baraldini and Oscar Vega (sentenced to 20 years) and Majors Pedro Mercado and Hugo Abete (sentenced to 18 years), who "were not regarded as leaders by the Federal Appeals Court." He also requested six years and eight months for Lieutenant-Colonel Antonio Cometto and Major Horacio Linari, who received three and four years respectively.

Moreno Ocampo argued that not only the mastermind of the rebellion, cashiered Lieutenant-Colonel Mohamed Ali Seineldin, could be considered a leader since the above-mentioned officers had been in charge of specific operations.

Bolivia

New Armed Forces Inspector General Takes Office

PY1909140891 La Paz EL DIARIO in Spanish 10 Sep 91 p 5

[Summary] Bolivian Armed Forces Commander General Victor Guzman Bruno has installed General Franz Ordonez Carrion as the new Armed Forces inspector general, replacing General Julio Pozo Medina, who was appointed Defense Ministry under secretary.

YPFB Reports $602.4 Million Profit in 1990

PY1909141291 La Paz EL DIARIO in Spanish 10 Sep 91 p 7

[Summary] The Bolivian Government Oil Deposits [YPFB] has reported a profit of $602.4 million in 1990. The report adds that $375.4 million was for sales in the country and $227 million for sales abroad.

Government Reports $212 Million Public Investment

PY1909141491 La Paz PRESENCIA in Spanish 10 Sep 91 p 4

[Summary] Under Secretary of Public Investment Jorge Quiroga has reported that public investment in the first seven months of this year has reached $212 million. Therefore, the government is optimistic about reaching the goal of $450 million in 1991. Quiroga added that so far this year public investment is $60-$70 million higher than the same period last year.

UN Representative on Struggle Against Trafficking

PY1909220991 La Paz Television Boliviana Network in Spanish 1700 GMT 19 Sep 91

[Text] The United Nations invests $10 million a year in the fight against drug trafficking in the country.

According to Giovanni Cuaglia, UN representative in the fight against drug trafficking, the policies of the government in its fight against drug trafficking are positive. The UN representative said that the $10 million that the United Nations invests in Bolivia are used for alternative development programs and for direct interdiction.

[Begin Cuaglia recording] Bolivia has made important progress over the past three or four years through the creation of a judicial framework through which to fight the illegal activity. Activities are coordinated with the Social Defense Under Secretariat, the Alternative Development Under Secretariat, and the prevention organizations. The country has established the formal and necessary structure to confront the problem. The problem is very difficult and complex. There is no single solution. A series of actions are taking place in the country with the support of the United Nations and some other friendly countries. [end recording]

Brazil

Proposed Constitutional Changes Sent to Congress

PY2009030091 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 19 Sep 91

[Excerpt] Justice Minister Jarbas Passarinho has handed the Senate and Chamber of Deputies chairmen the bill drafted by the government proposing changes in the Constitution. A copy of the document was also handed to the leaders of the political parties represented at Congress.

Minister Passarinho was accompanied by National Economic Policy Secretary Roberto Macedo, who gave technical explanations on the reasons that the government has proposed all these changes to the Constitution.

At the end of the meeting, Minister Passarinho said he believes that the final bill with the suggestions made by congressmen, which will be drafted in eight or 10 days, will be approved. [passage omitted]

Oil Workers Accept Resolution, Resume Work

PY1909132491 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 19 Sep 91

[Text] Oil workers have decided to obey a resolution issued by the Superior Labor Court [TST] and have resumed their activities to refine 400,000 barrels of petroleum daily.

The agreement reached between the oil workers and Petrobras [Brazilian Petroleum Corporation] provides for minimum production in five refineries paralyzed by the strike to meet the people's demands.

Petrobras will resume negotiations with the strike command today, as instructed by Infrastructure Minister Joao Santana, who accepted a request by CUT [United Federation of Workers] Secretary General Gilmar Carneiro and other CUT leaders.

The TST will make a decision on the strike tomorrow, but the infrastructure minister has said that Petrobras will maintain its proposal for an average readjustment of 82 percent.

Regulation Remains Only for Bread, Milk Prices

PY2009031491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 19 Sep 91

[Summary] Economy Ministry Executive Secretary Luis Antonio Goncalves has signed a resolution ending the National Supplies Authority price list, which has been in force for eight months. All prices, except for bread and milk, have been deregulated.

* Rivalries in Government Beyond Collor's Control

91SM0485A Sao Paulo FOLHA DE SAO PAULO in Portuguese 18 Aug 91 p 1-10

[Article by Sonia Mossri: "President Unable To Control Rivalries Within His Administration"]

[Text] Brasilia Bureau—President Fernando Collor de Mello is unable to control the rivalries among his immediate aides. Planalto Palace [Office of the President] believes the disputes at the Esplanade of the Ministries frequently interfere with the government's actions and harm its relations with Congress.

Secretary for Regional Development Egberto Baptista is the favorite target of criticism within the Collor cabinet. His secretariat intervenes in the activities of a number of ministries and personal conflicts are inevitable.

Egberto has accumulated disputes with Secretary for Science and Technology Jose Goldemberg, Secretary for Environment Jose Lutzemberger, Secretary for Strategic Affairs Pedro Paulo Leoni Ramos, and Minister of Economy Marcilio Marques Moreira.

Goldemberg has rejected Egberto's proposal to grant autonomy to the Manaus Free Zone that would permit it to produce informatics products without prior authorization from the National Council for Informatics (CONIN). Lutzemberger complains about Egberto's disregard for environmental protection measures in connection with granting fiscal incentives for the north and northeast.

Marcilio's advisers have not forgiven Egberto for his proposal to create a computerized system in Planalto Palace to monitor and evaluate government programs. The Ministry of Economy believes that the proposal downgrades its importance, because the ministry could thereby be transformed into a Secretariat for Planning.

Pedro Paulo and Egberto are contending for control over the ecological and economic zoning of Amazonia. Environmental policy is also the cause of interminable differences between Lutzemberger and Goldemberg, who are contending for the right to define the Collor administration's policy on the environment.

Annoyed at the attacks made on him within the government itself, Egberto has let it be known that he sent "certain persons in the government" the proposal for a presidential campaign to enable them to "have a better understanding of the policies of the Collor administration."

Inside Planalto Palace itself, there are growing differences between Secretary for Strategic Affairs Pedro Paulo Leoni Ramos and the chief of the Military Household of the Presidency, Agenor Homem do Carvalho. Pedro Paulo is contending with Agenor for supremacy in relations with the military ministries and over political activities in Planalto Palace.

Pedro Paulo and Goldemberg have also failed to achieve peaceful coexistence with respect to coordinating the nuclear program. Collor went so far as to announce the transfer of the nuclear program to the Secretariat for Science and Technology, but pressure from the military forced him to keep it in the Secretariat for Strategic Affairs.

Marcilio Marques has been unable to escape unscathed from the rivalries. He and Joao Santana do not agree on revising the rate structure for public services. Santana wants to "readjust" these charges for fear of being accused of accumulating deficits in the state enterprises. Marcilio is opposed, for fear of the inflationary effect.

The Ministry of Child Welfare, coordinated by Minister of Health Alceni Guerra, has transformed the Esplanade of the Ministries into a battlefield. Minister of Social Action Margarida Procopio and Minister of Education Carlos Chiarelli are contending with Alceni for control of the programs designed to aid children.

Margarida also is at odds with Brazilian Welfare Legion (LBA) President Rosane Collor, with whom she is contending for control of that institution, which is attached to her ministry.

* Destabilization of Economy Minister Seen

91SM0493A Sao Paulo ISTOE SENHOR in Portuguese 14 Aug 91 pp 22-24

[Article by Sergio Leo: "On Low Heat"; first paragraph is ISTOE SENHOR introduction]

[Text] Marcilio is following the same ill-fated course as his predecessors, but Claudio Humberto is not in the frying pan this time.

Based on reliable information concerning disagreements between Planalto Palace and the Ministry of Economy, a wave of speculation to the effect that Economy Minister Marcilio Marques Moreira's head may roll has swept over Brasilia. The rumors became so persistent that on Wednesday 7 August, presidential spokesman Claudio Humberto Rosa e Silva had to go to the people to say that the economy minister's prestige was unimpaired. "Minister Marcilio," he said, "is and always has been in tune with the government, and there are neither abrasions nor isolation."

Claudio Humberto's statements by themselves are not necessarily reassuring. He made the same kind of statements concerning former Minister of Infrastructure Ozires Silva shortly before the latter's dismissal. And one month before the fall of the former tsarina of economy, Zelia Cardoso de Mello, he said that she enjoyed "the president's complete support." It is noteworthy in this case that the presidential spokesman has not been discussing his public statements in the privacy of his office. At least he is not in the frying pan this time.

Even with this support, Minister Marcilio—in the opinion of many of his aides as well as politicians and colleagues in the government—is in the midst of the serious problems that afflict the economy and does not know how to resolve them. After only three months in office, he is already following the same ill-fated course as his predecessors in that he is performing a balancing act between the expectations of a new economic "shock" and the danger of being replaced in his post. In the corridors of Planalto Palace, criticism is already being heard of the minister's lack of technical competence and his slowness in making decisions. And anecdotes demonstrating his "loss of prestige" are heard constantly.

In the short space of the last two weeks, for example, three major decisions were made by President Collor in the area of the economy that endangered the position of the former ambassador, who had not been consulted. Collor rejected the wage indexation proposal, which Marcilio had sponsored; forced an open confrontation with the IMF; and unfroze the new cruzados ahead of schedule, in response to pressure from his political base and surveys, which showed a drop in the government's popularity.

In any event, four points of friction between the minister and Planalto Palace can be identified. They answer to the names of Minister of Infrastructure Joao Santana; Secretary of Regional Development Egberto Baptista; Bank of Brazil [BB] President Lafayette Coutinho; and Leopoldo Collor, the president's oldest brother. Lafayette is being mentioned by former minister Delfim Netto as Marcilio's future replacement. "Collor has no alternative," Delfim comments sarcastically, arguing that the BB president would be more in accord with the president's aims. The former deputy also made another cutting remark to journalists concerning the "frying" of Minister Marcilio. "Fried, no," he says. "Marcilio is a diplomat, and diplomats are flambeed."

Hundreds of requests from municipalities for the unfreezing of funds authorized in the budget but systematically frozen by Minister Marcilio are piling up in the offices of Regional Development Secretary Egberto and Infrastructure Minister Santana. This is an inevitable focal point of friction, so much so that the strongest doubts as to Minister Marcilio's competence originate in these two offices. The complaints concerning the performance of Zelia Cardoso de Mello's successor, however, have spread beyond Brasilia's boundaries. Contradicting the "soft" image he brought with him when he entered the cabinet, the minister and his aides are encountering the same pitfalls that victimized previous teams. Once again, in the search for a scapegoat, Marcilio's team has not hesitated to attack the business community for raising their prices in excess of the 13-percent rise in the most recent figures on inflation.

On Friday 2 August the always smiling Secretary of Economy Dorothea Warneck frowned as she threatened industry with a return of wage and price freezes. The reaction was general. FIESP [Sao Paulo State Federation of Industries] President Mario Amato was the first to protest. "They ought to call this film "Hunt for the Magic Remedy III" [Caca ao boi gordo III]. FIESP Manager Walter Sacca echoed his sentiment. "We are returning to the era of authoritarianism, the era of seize and destroy." Six days after Economy Secretary Dorothea's attack, Economy Minister Marcilio had to issue an explanation. "We are not accusing businessmen, as a class, of sabotaging the government's policies, but we are curbing some abuses." This was not enough to dispel the general malaise, not to mention the specific uneasiness of all those who would expect a refined intellectual such as Marcilio not to confuse "class" with "category" or "classification."

On the same day he made the correction—Wednesday 7 August—Minister Marcilio decided to take part in the meeting of the National Council for Finance Policy (Confaz) to convey a message to the state secretaries of finance. The walls of the Ministry of Economy had already echoed similar discourses by former Minister Zelia and by her predecessor Mailson da Nobrega. Marcilio, the titular head of the ministry, acknowledged that there had been an "inflationary resurgence," insisted that the rise in the indices had been anticipated, and announced further austerity measures. Once again the target was monetary policy, which translates into an increase in interest rates and a contraction of the quantity of money in the hands of the public (the so-called control of the emission of currency). The excuse could not have been more predictable. "It is a difficult moment, and we are therefore attempting to give clear signals that our policy will continue."

One of the minister's problems is the fact that he is asking people to have confidence in his ability to direct the economy while there are increasing indications of his limited authority. The unfreezing of the new cruzados—a decision that was taken without his approval—is symbolic of this situation. Moreover, in May Pedro Bodin, director of monetary policy for the Central Bank, began to study—together with other advisers of the minister—the manner in which the spigot would be opened. In June these studies—which were not yet completed—had to be speeded up on explicit instructions from President Collor, who wanted the devolution to take place ahead of time. The final actions to implement the presidential instructions took place in the absence of Central Bank President Francisco Gros, who was traveling abroad.

In this way, prepared under pressure, the early unfreezing of the new cruzados was accompanied by contradictory explanations from Marcilio and Gros themselves. The two men did not know what to say on the day of the announcement, and several times enlisted the help of others who were present such as Minister of Justice Jarbas Passarinho. The fact that Marcilio acquiesced in the plan that had been developed at Planalto Palace did not exempt him from vexations. On Sunday 28 July, as he was walking along the shore of the Rodrigo de Freitas Lagoon in Rio de Janeiro, he let it slip that the unfreezing was coming "at a gallop." The news of his remarks did not go down well at Planalto, where those in charge of presidential public relations believe that the minister's statements reduced the impact of the official announcement made by Collor the following day. The minister was instructed to avoid making any further premature announcements, and Marcilio made sure that these instructions reached the advisers who had the task of preparing for last week's renegotiation of the debts of the individual states.

Marcilio's supposed slowness in taking action is even the subject of jokes in Rio de Janeiro financial circles. An example: While Marcilio was taking a stroll in Ipanema with three pet tortoises they got away from him, and he is disconsolate because he has been able to recapture only one of them so far. In this connection, another gaffe by the minister did not pass unnoticed. At the meeting with Collor and government officials in Planalto on Monday 29 July, Marcilio announced that inflation for July, as measured by the Economic Research Institute Foundation (FIPE), would be "between 10.4 and 10.7 percent." On that same day FIPE released a preliminary estimate of 11.3 percent, and on Wednesday 7 August confirmed that the figure had been established at 11.3 percent.

But there is no lack of other factual information to intensify the rumors concerning the destabilization of the minister, despite the statements by presidential spokesman Claudio Humberto. It is known that former Infrastructure Minister Eduardo Teixeira and former Secretary for Economic Policy Antonio Kandir have for some time been carrying out the role of informal advisers to Collor. In early July, when the initial rumors concerning his possible return to the government cropped up, Kandir reiterated that he had left Brasilia because he interpreted the fall of Economy Minister Zelia as indicating a change in the direction of the government's economic policy. "My return would not make sense," the former secretary argued, but proclaimed his intention to "help the president." It is the kind of "help" that Kandir intends to give that serves to reinforce—in sectors both inside and outside the government—the speculation that he, and also Teixeira, are possible alternatives to Minister Marcilio.

* Plans for Naval Reequipment Program Discussed

91SM0502C Sao Paulo GAZETA MERCANTIL in Portuguese 4 Sep 91 p 15

[Article by Rio correspondent Jorge Freitas]

[Text] The Brazilian Navy has 27 billion cruzeiros, at September prices, to spend this year on building ships for its reequipment program. Admiral Jelcias Baptista de Silva Castro, director general of materiel for the Navy, said that because of the shortage of funds the renovation of the fleet is being accomplished by purchasing and leasing ships from the United States. The sums involved in those transactions were not disclosed but are merely symbolic, according to the admiral.

The Brazilian Navy purchased an oceanographic vessel and a submarine rescue vessel, and leased four destroyers and two amphibious transport docks. In addition, it is building corvettes, submarines, and other vessels at the naval arsenal and in Brazilian shipyards—Verolme, Maua, and Ishibras.

At present, the Brazilian Navy has a fleet of ten U.S.-built destroyers, six frigates of the Niteroi-class, six submarines, a submarine rescue vessel, troop transport ships, an amphibious transport dock, tank landing ships, a tanker, a repair ship, a training ship, and other amphibious operations vessels, plus the Minas Gerais aircraft carrier that was imported from the United States in the 1960's. Those vessels are subordinate to the commander in chief of the fleet.

The six Brazilian naval districts have corvettes, ocean-going tugs, minesweepers, river patrol boats, and coastal patrol boats. These operate along the Brazilian coast and in the Amazon and Parana river basins.

"The Navy does not have the kind of sea power that is compatible with this country's maritime status and its heavy dependence on the sea" said the admiral, remarking that this year the Navy received only 1.03 percent of the federal government budget.

The Navy's next partial plan calls for the construction of new corvettes and submarines, modernization of the frigates and the Minas Gerais aircraft carrier, plus the purchase of helicopters to equip the frigates and the corvettes—not to mention building some ships and patrol boats. The admiral did not say how much money these plans would require.

According to the timetable adopted by the Navy arsenal, the first of the three Tupi-class submarines—the Tamoio—is to be commissioned at the end of next year. The second—the Timbira—is scheduled for delivery in August 1994, and the third—the Tapajos—will be commissioned in May 1995.

Not until the end of the decade will the Navy start construction of a nuclear submarine. Work on the conceptual design has already begun, using technology transferred during the construction of the conventional subs, which employ German ILK technology.

The Inhauma corvettes are being built at the Verolme shipyard and are used for antiaircraft, antisubmarine, and ground warfare. Now that Verolme is operating under "concordata" [Chapter 11 bankruptcy] protection from its creditors, work on the corvettes has been delayed, but the Navy and the new management of the shipyard have negotiated revised deadlines, although the dates when the corvettes will be commissioned have not yet been set.

* Growth in Advanced Ceramics Market Noted

91SM0465B Sao Paulo GAZETA MERCANTIL in Portuguese 14 Aug 91 p 13

[Article by Sergio Danilo: "Ceramics Market Growing"]

[Text] Brazil is making progress in the production of advanced ceramics, according to a private study done by Paulo Abib Engineering Co. Advanced ceramics, which use various minerals found in Brazil and is a part of the new materials program, should achieve sales on the world market equivalent to $20 billion by 1995. Brazil is already reaching a consumer market worth $250 million.

In the breakdown of products studied, electro-electronic ceramics are divided into insulation for spark plugs, substrata for resistors, and ceramics for ceramic capacitators and semiconductors. The technicians explain that another important function of advanced ceramics are magnetic ceramics, known as ferrites, used in the production of low-frequency oscillators, filters, frequency dividers, and transformers.

Optic ceramics occupy an important place in the production of fiber optics, discharge tubes for sodium vapor lamps, and materials for lasers. Another important sector dealt with in this country's first study on this matter is that of mechanical ceramics, used in the production of cutting tools, such as superabrasives, crucibles, tubes, coatings, and heat-resistant rollers.

The newest use of advanced ceramics is in the nuclear area, creating nuclear ceramics. These use fuel elements, such as the creation of cakes of uranium.

Other Uses

Technicians recall that there are also other uses for advanced ceramics such as in sensors for gases, humidity, radiation, catalyzers, glass ceramics, and for the chemical industry.

In the scope of advanced ceramics, research estimates are that the greatest consumption of these products based on mineral goods (niobium, quartz, rare earth, beryl titanium, tantalite) is found in the electro-electronic area, which corresponds to 45 percent of consumption of advanced ceramics in Brazil, a market worth $112 million per year.

The spark plug industry is responsible for 60 percent of billings in this area. Magnetic ceramics have a 90-percent share of the market, with $22.5 million, while the optic industry has a 17-percent share ($43.5 million), with prospects of increasing consumption in the area of fiber optics in the coming years. The study indicates that a similar percentage was held by mechanical ceramics, reaching a volume of $47.3 million. The main use of this raw material was as superabrasives in the synthetic diamond industry and in boron nitrates.

In spite of the existence of the Brazilian nuclear program, nuclear ceramics present a modest share of the advanced ceramics market—1 percent. According to technicians, that share represents a dollar value of $3.5 million. The complementary appraisal of various segments of the market shows that other segments of ceramic materials, such as catalyzers for the chemical industry, glass ceramics, and sensors hold an eight percent share in the overall advanced ceramics market and a volume of $20 million. By 1994, the study forecasts, there will be a significant increase in ceramics for use in semiconductors, with a predicted growth of 30 percent. Magnetic ceramics present growth forecasts of 10 percent and are dependent on the automobile and household appliance markets.

Optic Function

Products based on ceramics with optic function should show billings on the order of $132 million, increasing their relative share in the total market of this segment by 20 percent. Ceramics with mechanical functions should reach billings of $90 million by 1994. With the full-scale operation of the Angra I plant, it is estimated that in the next five years, nuclear fuels should hold a consumer market of uranium cake worth $15.8 million.

* Avibras Denies Alleged Connection With BCCI

91SM0500C Sao Paulo GAZETA MERCANTIL in Portuguese 29 Aug 91 p 32

[Article by Sao Jose dos Campos correspondent Carlos Lovizzaro]

[Text] Avibras Aerospace Industries S.A., of Sao Jose dos Campos, expressed surprise about reports published in other countries involving it in weapons exports along with the Bank of Credit and Commerce International (BCCI), whose operations have been suspended in most countries of the world because of its participation in illegal dealings.

"Avibras has never used BCCI as an agent to finance its exports to any country," insisted Roberto Lopes, the firm's manager of government relations.

The Avibras official did admit, however, that BCCI did provide credit on a "single" occasion. "It was working capital financing in the amount of about $1 million, provided and paid off in the mid-1980's," he said.

The list of 395 creditors of Avibras, which was granted bankruptcy protection under a "concordata" [Chapter 11 bankruptcy] in January 1990, does not show BCCI as entitled to any part of the $200 million owed in new cruzados of that era. The first installment, 40 percent of the total, was paid in January of this year—but without any adjustment for inflation because the event antedated the new law that governs this subject.

The news item about relations between Avibras and BCCI, according to Lopes, reveals "profound ignorance" about the way in which weapons exports are handled in Brazil. "Every Avibras transaction is submitted to the Department of Trade Promotion of Itamaraty, which controls the National Plan for Export of Material for Military Use, better known by its acronym PNEMEM," he said. "Itamaraty also consults Planalto Palace and the Strategic Affairs Secretariat before issuing its final opinion," he added.

According to Lopes, this whole procedure was followed in exporting arms to Iraq, one of the biggest customers the firm ever had. Relations between Avibras and Iraq, however, have been suspended because that country did not honor its obligation to pay $33.5 million, representing the third installment on a shipment that had already totalled $300 million out of the planned total sales of $400 million worth of Astros II (an artillery system using saturation rockets).

Iraq's failure to pay is one of the reasons cited by Avibras when it petitioned for protection from creditors. The goods in inventory that had been intended for Iraq were sold last year to a customer involved in the Gulf war that Lopes did not want to identify, but which is understood to have been Saudi Arabia. Another of the company's customers in that region is Qatar. Iran, according to Lopes, has never received Avibras products.

* Indirect Economic Impact of Soviet Crisis Seen

91SM0485B Sao Paulo GAZETA MERCANTIL in Portuguese 20 Aug 91 p 11

[Article by Marilia Stabile: "Brazil-USSR Trade Relations May Not Be Adversely Affected"]

[Text] The military coup in the Soviet Union may have no significant direct impact on trade relations with Brazilian companies, in view of the fact that trade between the two countries has been decreasing and is "not very" significant. However, the possible indirect effects are already beginning to be felt—including the shelving of projects—as news of the events in the USSR is broadcast to other countries in Eastern Europe and Southeast Asia that are specific markets for certain business sectors.

The Sabo auto parts company does not trade directly with the USSR but does export $800,000 worth of products annually to Czechoslovakia—a volume that Sabo CEO Paulo Garabedi admits is not very significant when compared to the firm's $25 million total volume of exports.

But there were quite a few plans for expansion. "It was," Garabedi says, "and still is, the company's intention to enter this market as well as the Chinese market. We are only waiting for the regime to achieve stability," he adds, emphasizing the competitiveness of his company's product.

Sabo's auto parts arrive at this market at a price from 20 to 25 percent below the prevailing prices there. Brazil possesses the technology in this area, and studies made by the company estimate that when the parts are purchased from first-world companies the price of the Brazilian product proves to be as much as 30 percent cheaper. For two consecutive years Sabo has received the award for being the German Opel's best supplier, and it estimates that auto parts companies can expect the Soviet market to be on the order of $1 billion.

Six months ago Sabo was approached by a delegation from Armenia, one of the Soviet republics interested in forming joint ventures with Brazilians to manufacture auto parts and set up factories. The first phase of the transaction—involving the manufacture of truck transmissions—was budgeted at $50 million.

"Because of political considerations, there was no follow-up," Garabedi says, adding that his company—with total sales of $270 million in 1990, 10 percent of which was in the form of exports—remains interested in the project, which has however been shelved for the time being.

Cofap—the largest Brazilian auto parts manufacturer, with total sales of $750 million last year including $130 million in exports to a total of 92 countries—has exported for 10 years to East Europe, including the USSR. The volume of exports to this region has already amounted to as much as 10 percent of total exports, and from 1989 to 1990 fluctuated between 5 and 7 percent. Of this 5 to 7 percent, virtually half went to the Soviets. Already this year, with the lack of a strong currency—a requirement for opening genuine relations with the West—Soviet participation will be reduced, but it is not believed that the recent political events will have major repercussions for the company.

The situation for FIAT could be just the reverse. The Brazilian FIAT has no direct commercial contact with the Soviet Union, but the Italian FIAT has operated in that country since 1908 [as published]. In the 1960's it erected a complete factory in Russia—an integrated plant that produced everything from the ore to the finished product. The good relations have been maintained, and two months ago the Italian FIAT received a proposal that it enter the business as an investor. "The negotiations are under way, and they are expected to resume in September." This desire was expressed by Jose Eduardo de Lima Pereira, FIAT's director of foreign relations in Brazil, who is also vice president of the Brazil-USSR Chamber of Commerce and Industry.

The deal being negotiated is on a grand scale. Plans call for 300,000 vehicles to be incorporated into the Russian fleet the first year the plant is in operation, with production scheduled to reach 900,000 at the end of three years.

The increasing volume of Italian trade with the USSR contrasts with the downward trend of Brazil's trade with that country. This trade had reached $1.127 billion in 1983, dropped to $431 million in 1986 and to $272 million in 1988, reached $420 million in 1989, and dropped again to $260 million in 1990. These statistics are from the Brazil-USSR Chamber of Commerce and Industry, which was created a little over two years ago to stimulate trade between the two countries. "Greater attention was being paid to our relations," Chamber vice president Lima Pereira says. "This is a bitter moment, coming just when the world was beginning to regard itself as one world," he adds.

The political and geoeconomic implications are also matters of concern to the traders. "Everyone is pausing to await developments," Joseph Tutudjian, president of Cotia Trading, observes. He believes that if there is a shift to the right, the USSR will cease to be a "most favored nation." "This could even be advantageous for Brazil," he says. Tutudjian does not rule out the possibility of a drop in the prices of agricultural commodities—at a moment when Brazil is importing food—and even of increased prospects for capital investment in Latin America.

The director of Silextrade believes it is premature to outline grand scenarios, "because the picture has not yet been clarified, and there is serious risk of the disaggregation of the republics." His company does not maintain direct relations with the USSR, but it does with Southeast Asia. He concedes that if Soviet exports to the Southeast Asian market decline, it will be possible to increase exports of pig iron to that region.

* Soviet Crisis Sparks Debate Within Left

91SM0500B Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Aug 91 p 1-7

[Article by Neri Vitor Eich of FOLHA Rio bureau]

[Text] Recent events in the USSR have accelerated the discussions between Brazil's "parties of the Left"—the PCB [Brazilian Communist Party], PT [Workers Party], PSB [Brazilian Socialist Party], PC do B [Communist Party of Brazil], and the PDT [Democratic Workers Party]—as to the most appropriate road for the socialism they seek to establish in Brazil, and the concept that each party has of democracy.

The members of the national, regional, and municipal executive committees of the PT assigned Secretary General Jose Dirceu and Deputy Jose Genoino to meet with the national executive committees of the five "leftist" parties in Brasilia. The decision was made at a meeting in Sao Paulo on 19 August (the day of the failed coup in the USSR), which was attended by Mayor Luiza Erundina.

That meeting, held to debate "the challenges of socialism," had been suggested by PSB Deputy Miguel Arraes of Pernambuco State and was originally to be held in September. The details were worked out at a meeting held 12 days ago in the Brasilia office of PSB Secretary General Roberto Amaral.

Besides Arraes and Amaral, others attending the meeting were Dirceu, Genoino and Erundina from the PT; PCB Vice President Sergio Arouca; PSB President Jamil Haddad; the assistant leader of the PC do B in the Chamber, Aldo Rebelo; and Deputy Liberato Caboclo from the PDT in Sao Paulo.

Dirceu plans to suggest to the national executive committee of the PT that a "congress of the Lefts" be held in 1992 to discuss "socialism and the Brazilian crisis." The PSB president, Rio de Janeiro Deputy Jamil Haddad, wants to convert that congress into a "forum for continuing debate by all the parties of the Left to obstruct the immediate revisions in the Constitution suggested in President Collor's "super amendment."

Dirceu believes the victory of Soviet President Mikhail Gorbachev will lead to "very big crises" in the PCB and PC do B, besides "radicalizing the discussion within the PT on the concept of democracy."

Dirceu thinks it is inevitable that there will be a confrontation in the PCB between the majority faction headed by party president Roberto Freire (who supported Gorbachev and Russian President Boris Yeltsin), and the so-called "orthodox" members led by Horacio Macedo, who denounced the coup but reject perestroyka.

Arouca and Dirceu expect an increasing approximation between the PC do B and the PT faction known as "Convergence," which is Trotskyite in its orientation and opposes the adoption of capitalist principles by the Soviet regime. PC do B President Joao Amazonas said on 19 August that the coup was "positive" and "a piece of good news."

Arouca thinks these alliances will include "other Marxist-Leninist groups from the PT," such as Luis Inacio

Lula da Silva's "Articulation" group, which is backed by the majority of the PT's leadership and "is moving ever closer to the PCB."

"After the PT congress in November, it is unlikely that movements such as 'Convergence' and 'Work' that are behaving like parties-within-a-party will continue to exist," said Dirceu.

* Army Officers Oppose Aspects of Engesa Sale

91SM0465D Sao Paulo O ESTADO DE SAO PAULO (Economic section) in Portuguese 13 Aug 91 p 1

[Excerpt] The transferral of shareholder control of Engesa [Specialized Engineers, Inc.] to British Aerospace, in negotiations conducted by the Secretariat of Strategic Affairs of the Presidency of the Republic, is causing strong resentment among high-ranking Army officials. They claim that British Aerospace, through its Land Rover subsidiary, is interested in using the production line of Engesa only for the production of jeeps, which would eliminate the self-sufficiency achieved by Brazil in the manufacture of combat vehicles and armored vehicles on wheels.

The agreement was negotiated in London last week, but the deal will be closed only if a condition imposed by British Aerospace is met—that the Brazilian Army promise to buy 700 Land Rover jeeps, in order to consolidate the British investment. This presupposes shareholder control of Engesa by British Aerospace, with 40 percent of the shares with voting rights, while the Odebrecht Construction Co. and the Schahin Cury Bank would have 20 percent each. The War Materiel Industry (Imbel), which is controlled by the Army, would have 11 percent, and the remainder would be divided among Engesa officials.

Army officials would also not be comfortable with Imbel's share in that composition. Several years ago, the current comptroller of Engesa, Jose Luiz Whitaker Ribeiro, became head of Imbel at the same time that he was running his own company. To avoid the dissolution of Engesa as a result of its cash-flow problems, the Army advanced the resources necessary for the assembly of 1,300 vehicles. Nearly 400 of those vehicles have not been delivered to the Army yet, and officials fear that as soon as British Aerospace finishes the delivery of the war materiel, it will convert the assembly line exclusively to the manufacture of Land Rover jeeps.

Land Rover has been wanting to enter the Brazilian automobile market for many months now. The only reason that it has not come here yet is because there is a fight for control of that brand name in Brazil.

According to market information, British Aerospace agreed to a payment of $70 million to Jose Luiz Whitaker Ribeiro, and would assume a liability in excess of $400 million. Engesa filed a request for bankruptcy protection in March of last year. [passage omitted]

* Iraqi Oil Imports May Resume in Oct

91SM0485C Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 20 Aug 91 p 5

[Text] Rio—Authorized by the United Nations to export 500,000 barrels of oil to purchase food, Iraq has already begun negotiations with the Petrobras [Brazilian Petroleum Corporation] management to reactivate old supply contracts, Petrobras Trade Manager Hamilton Albertazzi disclosed yesterday. Albertazzi said an Iraqi delegation will come to Brazil next month to reinitiate contacts with Petrobras trade executives for the purpose of negotiating the sales, which have been suspended since the Unitd Nations decreed an economic blockade of Iraq following the invasion of Kuwait.

Albertazzi disclosed that Petrobras will be able to resume purchases of oil from that country beginning in October—the month in which Iraq will resume oil exports. "The Iraqis," he said, "will not negotiate sales of the product before that time, for the very reason that this is not the most propitious time to do so." Before the Gulf war, Brazil was importing 140,000 barrels of oil a day from Iraq.

* Japanese Businessmen Undecided on Investing

91SM0302A Sao Paulo GAZETA MERCANTIL in Portuguese 4 Sep 91 p 23

[Article by Tokyo correspondent Maria Clara R.M. do Prado]

[Text] Japanese businessmen still have not decided to resume investing in Brazil, but they are beginning to look a little more favorably on this country, in the expectation that the economic policy measures planned by the government will begin to yield results. "In terms of economic policy in general the signals are very good, but when it comes down to the level of an individual investment, big companies recall the dramatic changes of the past and want to be sure that additional and complementary measures will be taken to implement the economic policy," the director of the Department of Economic Cooperation of the Keidanren, the federation of major private Japanese companies, told this newspaper yesterday.

In that official's opinion, there are positive signs pointing to a change in the relations between the two countries, as evidenced by the attention that this government has paid to Japan. The Keidanren official himself recalled that President Collor has already made two trips to Tokyo (the first was prior to his inauguration as president). Recently, this was followed by a visit from Central Bank President Francisco Gros, and now Minister of the Economy Marcilio Marques Moreira has come here, which helps mark a change in attitude on the part of the Brazilian Government.

Although they have not made a decision to invest in Brazil, Japanese investors have clearly shown an interest in getting a first-hand look at the situation. For the first time in six years, Japanese businessmen are working through the Keidanren to schedule a conference on Brazil and Japan, scheduled for next spring (perhaps in May before ECO-92). In Brazil, the National Confederation of Industry (CNI) is in charge of organizing the event, the fifth in a series of conferences between the two countries that was suspended in 1986 shortly after the announcement of the Cruzado Plan.

The purpose of the meeting is to exchange ideas that could make life easier for Japanese firms in Brazil, make it feasible to set up new joint ventures, and identify new business opportunities. An advance team of Japanese investors is supposed to visit Brazil in November to plan next year's meeting.

Suggestion

"The Keidanren is suggesting that a group of Japanese firms visit Brazil, Argentina, and Chile on a single trip that could occur at the end of November, or perhaps in early December—we are still working out the dates—in order to learn more about Mercosul [Southern Common Market]," said Katsuhiro Fujiwara, who said that the Japanese are interested in finding out first-hand what is happening in Latin America following the "long nap of the past ten years." The purpose of the trip is to bring together a small group of businessmen for conversations, consultations, and observations that will then be passed on, in Tokyo, to other industrialists interested in finding out what the future may hold for the three countries.

The director of the Keidanren's Department of Economic Cooperation noted that investment opportunities for the Japanese are better right now, given the past year's rise in the value of the yen over the U.S. dollar, and that several invitations are being received, not only from the countries of Eastern Europe but also from Southeast Asia and the Soviet Union.

Debate

During the debate in which Minister of the Economy Marcilio Marques Moreira participated yesterday at the Keidanren (attended by more than 50 Japanese businessmen) the issue of inflation was raised again, and the need for the government to "maintain the rules of the game," was emphasized as a way to guarantee the investor that he will not come out on the losing end. One of the businessmen present asked whether the rule on the release, in installments, of the frozen cruzados novos was being maintained, citing his own case as an example of a decision not to invest. He had been getting ready to set up a new plant in Brazil (he already has companies here), when he was surprised by the blocking of the cruzado novo accounts, so he had no choice but to postpone his investment plans.

The Outcome

It became clear, too, that the outcome of an agreement between Brazil and its creditor banks could stimulate a resumption of Japanese investment in this country. "Businessmen are usually influenced by what the banks think," Fujiwara recalled. At any rate, the Japanese business community in Brazil cannot be ignored. One of the businessmen pointed out during the meeting with Minister Marques Moreira that there are now about 300 registered Japanese investors doing business in Brazil. According to Central Bank figures, they account for a total of $3.5 billion in Japanese risk capital in Brazil, between investments and reinvestment, or the equivalent of 9.6 percent of total foreign capital. Japan ranks third—behind Germany and the United States, still the two biggest investors in Brazil.

* Hungary Seeks To Expand Trade Relations

91SM0465A Sao Paulo GAZETA MERCANTIL in Portuguese 13 Aug 91 p 3

[Article by Marcia Beatriz de Chiara: "Hungary Wants To Expand Business With Brazil"]

[Text] Hungary wants to expand its trade with Brazil. In the last 15 months, the country has gone through changes in its political system and in its economic model, both of which include a greater opening toward international trade. The Hungarian authorities consider Brazil to be the principal country among its trading partners located in Latin America. On the other side, Hungary is the point of entry for foreign capital into Eastern Europe.

Brazilian exports to Hungary added up to $124 million in 1990, while just $23 million worth was imported from that country. In the opinion of Hungary's minister of international economic relations, Bela Kadar, who has been visiting Brazil since the end of the week, exports of Hungarian products to Brazil represented an insignificant percentage of total exports from his country, which added up to $11 billion last year, and are less than their theoretical potential.

With the objective of increasing trade relations between the two countries, the prime minister is arranging for a delegation of Brazilian entrepreneurs to go to the Budapest International Fair, which will take place at the end of next month.

Wheat, chemicals and pharmaceuticals, hospital equipment, systems for raising fish in fresh water, irrigation techniques, and biotechnology are areas where Hungary is competitive and could increase its trade with Brazil, said Kadar.

Trade between the two countries has been on the surplus side for Brazil and reflects a structural imbalance, in the opinion of the minister of international economic relations. According to him, Brazil could sell raw materials such as wood and ore to Hungary. The most important product that Hungary buys from Brazil is soybeans, which totaled nearly $100 million last year.

With an annual inflation rate of 28 percent in 1990 and with the prospect that this rate will range between 35 and 40 percent in 1991—the highest in the last 35 years—

Hungary is open to international capital and consumed 50 percent of all foreign investments in Eastern Europe last year.

According to the president of the Brazilian-Hungarian Chamber of Commerce and Industry and also president of Staroup, Andre Ranschburg, the relatively inexpensive infrastructure, plus its open and more liberal legislation in comparison with the other countries of Eastern Europe, have been attracting investors. Last year, foreign capital invested in Hungary added up to $900 million, and in the first five months of this year, the monthly average has been $100 million.

Those companies that were brought under state control during the socialist regime are now undergoing privatization. The former owners are receiving indemnizations in the form of bonuses and with them they can acquire shares in state-owned companies.

Joint Ventures

Deals have already been closed for two joint ventures between Hungarian companies and Medicor do Brasil (a manufacturer of hospital equipment) and Agroinvest do Brasil, which operates in the poultry-farming business and raising fresh-water fish. Kadar declined to reveal the total of capital that is being invested, but he said that the businesses are somewhere around $150 million.

Two weeks ago, Staroup closed a deal for a joint venture with Hungarotext, the country's largest trading company, to manufacture casual slacks.

* Santana Proposes Joint Satellite for Mercosur

91SM0465C Sao Paulo GAZETA MERCANTIL in Portuguese 6 Aug 91 p 6

[Article by Paulo Totti: "Joint Satellite for Mercosur"]

[Text] Brazil's minister of infrastructure, Joao Santana, proposed yesterday [5 August] to Argentine authorities that a joint satellite be launched to serve communications within the Common Market of the South (Mercosur) and the integration of the postal services of the four member countries—Brazil, Argentina, Paraguay, and Uruguay.

Santana took advantage of his visit to Buenos Aires, where he was participating in a meeting of entrepreneurs and Mercosur authorities with the vice president of the United States, Dan Quayle, to present the idea in a meeting with Argentina's secretary of communications, Saul Bour. At the same time, Brazil's national secretary of communications, Joel Rauber, and the president of the Brazilian Post Office and Telegraph Company (ECT), Jose Carlos Rocha Lima, met with their Argentine colleagues to begin discussing the two projects in detail.

Minister Santana told this newspaper that integration of the postal services is a relatively easy and inexpensive undertaking. The only thing that needs to be done is for the administrative structures of the four countries to come to formal agreements, get ready to eliminate bureaucratic barriers and accelerate procedures that will facilitate the free flow of mail in the region. In addition, a joint account would be established for the reimbursement of tariff collections in a process similar to the one that currently exists throughout the world for the clearing of telephone communications receipts. The ECT, which, according to Santana, is the only profitable state-owned post office organization in the world, is willing to handle the financing to start up the project. "To put the plan into operation, no more than $300,000 will be necessary," the minister estimates.

The post office in Brazil is not on the list of those companies that are subject to privatization, unlike what is happening in Argentina and in Uruguay, but the minister of infrastructure states that this will not be an obstacle to the process that he calls "internation"—considering postal traffic as a single entity in the four countries—because the Brazilian project can be implemented by public or private companies.

The only country in South America to have its own communications satellite—Brasilsat I—and on its way to placing a second one in orbit, Brazil wants to share a third one with the other countries of Mercosur. The proposal that Santana presented yesterday to the Argentine authorities should continue to be discussed among Mercosur authorities and in meetings of entrepreneurs from the region who are interested in forming associations.

Right away, the Brazilian project would have the interest of Globo Telecommunications (Roberto Marinho Organizations) and of Stet, the state-owned Italian company. Also participating in the undertaking would be entrepreneurs from construction, with competition taking shape for operation of the satellite similar to the competition that the various cellular telephone services are currently waging.

In case the satellite should be placed in one of the eight long-orbit positions already guaranteed worldwide by Embratel [Brazilian Telecommunications Co.], the project formed between Brazil and Argentina—which the other countries of Mercosur could make use of—would have to be carried out with the participation of both state and private capital. The Brazilian project, however, is "open" and can be developed exclusively by private enterprise, but in that case, an orbital position that does not belong to Embratel would have to be used.

According to Santana, there is a market in the Southern Cone for one more communications satellite. "As Mercosur takes shape," the minister says, "not only is the need for increased use of satellites by television networks arising, but also for the transmission of data, telephone traffic, and all the other types of communication that are necessary for entrepreneurial integration. So much so that Spain has already presented a proposal for a satellite to integrate communications among the Spanish-speaking countries." The Spanish proposal, however, omits Brazil, which, in the opinion of Brazilian authorities, does not heed the purposes that led to the creation of Mercosur.

Chile

* Economy Minister on Finances, Government

91SM0492A Santiago LA NACION in Spanish 18 Aug 91 pp 6, 7

[Interview with Carlos Ominami Pascual, economy minister, by Monica Gonzalez; first three paragraphs are LA NACION introduction; place and date not given]

[Text] It took him 40 years to discover the importance of his Japanese roots. And it was not Fujimori's influence that led him to this conclusion. In Chile, many people already knew this, for when asked to name an imperturbable socialist, Carlos Ominami holds a special place. He refrains from any emotional displays, and when he wants to hide what he is feeling, he certainly does so without any special effort. His weakness (or strength?) is 1973. That year marked the life of the minister of the economy and of his family. His father, a colonel in the FACH [Chilean Air Force], was jailed and tortured by his comrades in arms and he [Carlos Ominami] had to go into exile. In Paris he rethought his ideals and his vision of the world based on the Chilean experience, and as his world came crashing down, he came to some conclusions.

He feels that these conclusions have such force that he does not hesitate to say openly that they were wrong in the past, and that they must earn the right to govern once again; nor does he hesitate to tell the top FFAA [Armed Forces] commanders that there was no war in Chile, there was repression.

He thinks he will stay in the cabinet for the time being, but it is clear Carlos Ominami will be involved in Chilean politics for quite some time to come. Ominami, at the age of 41, promises who knows what high-level rapprochements with Japanese culture.

[Gonzalez] After a year and five months in the administration, has your socialist impatience already begun?

[Ominami] I have no impatience of any sort. Balance in all things is positive. Democracy is much more solid today than when the government began....

[Gonzalez] Do you agree with your comrade Eugenio Tironi that the transition has ended?

[Ominami] That is an issue of semantics. The transition process will culminate when all our democratic institutions are fully functioning, without lingering authoritarian bad habits. From that point of view, democracy still needs a number of improvements.

[Gonzalez] Is the perfecting of democracy a permanent feature of the socialists' new utopia?

[Ominami] I would say so. One of the major changes in the socialist vision is the reevaluation of democracy. Democracy is always an institution with room for improvements, to which new contents and freedoms can be added.

[Gonzalez] Are you not impatient to start to build on a solid foundation without dictatorial ties?

[Ominami] No, because we knew that many such ties still existed, and the conditions are being created to break with them.

[Gonzalez] For a man who has a complex about "always being first," what did the UP [Popular Unity] failure mean?

[Ominami] That was by far the strongest experience I have ever had, and not only intellectually. Personally, I had a very bad time with it. I directly experienced the destruction of my family. It was a very brutal experience that will stay with me for the rest of my life.

[Gonzalez] You said: "We are trying to overcome the model of the former regime." Have you been able to do that?

[Ominami] No, it is a process. A great deal still needs to be done to ensure growth with fairness, and that is our major objective. A new model will have been consolidated when the economy is working on the foundation of growth with social justice.

[Gonzalez] What did "market economy" mean to you in 1972 when you were studying economics and were in the MIR [Movement of the Revolutionary Left]?

[Ominami] I was very critical. I thought human intelligence was capable of developing planning mechanisms that would operate properly, but that view of things was not fulfilled.

[Gonzalez] Did you never think being a businessman was a legitimate option for a young man?

[Ominami] I had a terrribly negative view of businessmen; I have changed a great deal in that regard.

[Gonzalez] What made socialists like yourself renounce your ideals and accept the market?

[Ominami] Seeing how the attempt to replace market mechanisms in Chile during the UP period led to a resounding failure.

[Gonzalez] How do you explain the fact that so many intelligent men and women were wrong?

[Ominami] People act within a certain historic context, which is also a context of ideas. The people at the head of that process were intelligent, but they were in some way victims of the reigning intellectual and political atmosphere.

[Gonzalez] What preconceived ideas did you bring into the cabinet, that you now recognize were the product of stereotypes?

[Ominami] That is difficult....

[Gonzalez] You must have brought some fears along with you....

[Ominami] Exactly, I did have some fears. One negative that we did not continue was relations with people. This ministry had been run in a manner more closely resembling a regiment.

I did not just discover the market on 11 March 1990; one lesson I have learned is some people's ability to present matters which are strictly of business interest as issues of national interest.

[Gonzalez] Give me an example.

[Ominami] Farmers. They make a legitimate defense of their interests, but they present their interests as a matter of national interest. The National Agricultural Association's protectionist proposals seem terribly inconsistent to me. They do not agree with the basic consensus which exists in Chile, that a small country like ours has to open its doors to trade.

[Gonzalez] For some people, does defending the market end with personal interests?

[Ominami] The right uses a double standard. I had the opportunity to witness this on two important occasions. In the Chamber of Deputies when we were debating lowering the tariff, the RN [National Renovation] bench abstained. That was a spectacular image: someone as representative of traditional ways of thinking as Mario Palestro voting in favor of tariff reductions, and the entire RN bench abstaining. That is a sign of an important change.

This week the RN and UDI [Independent Democratic Union] deputies spoke on the agreements with Argentina strictly on the basis of protectionism. We meet with many people, and the bluntness with which corporate interests are expressed under the guise of national interests deserves a great deal of attention.

[Gonzalez] Do you have something to learn from Sergio de Castro or Hernan Buchi?

[Ominami] I disagree very radically with the entire neoliberal movement, but their experience is interesting to hear. I have several times had the opportunity to talk with Buchi, and you do learn things. I had a good discussion with him on fishing, an area where special interest groups have expressed their interests most crudely. We had a more or less similar diagnosis of how things stand.

[Gonzalez] What does it mean to say that the role of the socialist ministers is "to earn the right to again be the government"?

[Ominami] That is an important goal we have to fulfill. Socialism had been discredited as a result of the UP's failure. If we want to create democratic socialism as a government option, it is essential for the socialist ministers to do a good job.

[Gonzalez] Based on earning the right to govern, you said that you socialists were prepared to make "major concessions." What were they?

[Ominami] That is a difficult question.... When you work in a coalition, you have to make concessions.

[Gonzalez] What concession cost you the most?

[Ominami] That question is a trap....

[Gonzalez] An intelligent socialist should have an answer.

[Ominami] I am not going to fall into that trap. The issue is very sensitive. I am one of the people who worked most directly in the Coalition program. There we worked to identify what was possible and what was impossible. We acted on that basis. I am not schizophrenic.

[Gonzalez] You said that in Corfo [Production Development Corporation] you had seen "the ugly face of the neoliberal model."

[Ominami] Corfo was full of irregularities. An institution which had played a great role in development had fallen apart. That is the reality.

[Gonzalez] And not properly reporting that is a concession?

[Ominami] We did report it in the Chamber of Deputies.

[Gonzalez] The human rights issue was spelled out in the Rettig Report; but do the citizens of Chile know the true history of the privatization of the Corfo companies?

[Ominami] I would say that we did make a certain concession. I am prepared to admit this, and it was done for well-founded reasons. We had two alternatives: to conduct a major PR campaign—which we did not do—or to turn over substantive and sober information. We fulfilled our basic commitment: to report to the Chamber of Deputies. It was not appropriate to create economic instability which would ultimately work against the interests of democracy.

[Gonzalez] Privatizing Endesa [National Electric Company, Inc.] caused huge losses to the state. It also created a monopoly in electricity generation and distribution. Was the concession justified?

[Ominami] The concession we made was a matter of form, and not of substance. We turned over the records of irregularities to the State Defense Council because we could not act as judges on this issue.

[Gonzalez] A minister becomes a stockholder in a company that his government is privatizing, and that company then controls the nation's electricity supply. And nothing is done?

[Ominami] That is not very ethical. A public official cannot end up in control of such a large part of important enterprises that recently were part of the state. I do not think it is a good standard of behavior for a public servant. But from the legal standpoint, it is not a crime in Chile.

[Gonzalez] Are there reasons why the poor feel so remote from the government?

[Ominami] I do not think they feel remote from this government. Aside from some ups and downs, there still remains a high degree of support, and a majority of the poor are among those supporters. If we analyze the polls with political sensitivity, we find that people who claim to be on the left are the ones who provide the largest measures of support for the government.

[Gonzalez] To truly give the poor top priority in the next budget, you must either raise taxes or redistribute funds. What will be done?

[Ominami] One of the most important things we are going to do—which is an innovation—is to open up room for discussion with social groups to discuss issues. The important thing is to begin a dialogue, as we will do with the CUT [United Labor Federation], laying all the cards out on the table and saying what has to be done.

[Gonzalez] Are you going to raise taxes?

[Ominami] There is a commitment with RN not to change direct taxation.

[Gonzalez] Are funds going to be redistributed?

[Ominami] First of all, we have to create a more participatory situation. To meet with social groups. For example, to say to the CUT, this is the budget situation; these are the margins; and these are the priorities; what do you think? That starts in September.

[Gonzalez] In 1989 you said: "The FFAA should make an effort to help finance social policies. They should reduce their budget." Have you changed your mind?

[Ominami] I repeat that opinion. We are all making efforts, the business sector through tax reform, social groups are moderating their urgent needs, and the FFAA should do something similar. There has to be a very open discussion, and based on an exhaustive discussion of national defense, we have to talk about the FFAA budget.

[Gonzalez] In reality, the FFAA budget is $1.6 billion a year, the second largest in Latin America.

[Ominami] Based on the records available, our defense budget appears to be one of the highest in the continent. To the extent possible, and without sacrificing defense needs, an effort must be made to divert part of its resources to social policy spending.

[Gonzalez] What about the $4 million used to fund former CNI [National Intelligence Center] civilians who are now in the DINE [Army Intelligence Directorate]?

[Ominami] Like the PS-PPD [Socialist Party-Party for Democracy] parliamentarians, I oppose that budget allocation.

[Gonzalez] You once said you considered yourself more moderate than Foxley. Do you still say that?

[Ominami] That was basically a joke. We have a very good relationship with with Alejandro [Foxley], but still he is a member of DC [Christian Democracy], and I am a socialist.

[Gonzalez] Is your good relationship with Foxley real or merely apparent?

[Ominami] As socialism has very profoundly revised many of its ideas, we are now closer to DC. I was not particularly a friend of Alejandro when this started, but we have become friends. This is helpful, as neither of us is prepared to get embroiled in any sort of adventure that might endanger democracy.

[Gonzalez] Alejandro Foxley sees himself as a sure DC presidential nominee. Will that not affect this relationship of yours?

[Ominami] Alejandro is entitled to aspire to be president. That might lead him to take a highly politicized approach to some issues, but we have not seen that so far, and I emphasize this point.

[Gonzalez] You have a difficult role. Ricardo Lagos, the socialist presidential candidate, is also in the cabinet.

[Ominami] That is why I am such a strong supporter of the Coalition. That is where those things will have to be worked out. As Mao Tse Tung said, may a thousand flowers bloom. My candidate is Lagos, who is clearly the best man the left, socialism, and the PPD have.

[Gonzalez] Have the socialists earned the right to govern?

[Ominami] We are well on the way, but we cannot start to celebrate yet. We need to make every effort so that the next candidate will be a socialist. That would show that the transition has culminated and that Chile is fully ready for pluralism, but I have my doubts about whether we are yet at that point.

[Gonzalez] Minister Krauss said that the Coalition was not a mere pact, it was a historic political commitment.

[Ominami] I support that idea. We need to work to make it happen, because it is not guaranteed. A key factor in ensuring this is for the DC to be prepared to do what we did in 1989: support a DC candidate. From that viewpoint, the DC has a great responsibility to make this a reality.

[Gonzalez] What political philosophy does the PS identify with?

[Ominami] The PS situation today cannot be understood by mechanically transposing its past alignments. There is a reorganization process, of which a major component is the creation of closer relations between what was the C slate headed by Isabel Allende, and the slate led by Ricardo Lagos. And some interesting things have also taken place in the slate headed by Manuel Almeyda, who has taken an extraordinarily responsible position.

[Gonzalez] Some people say that your generation's weight has been overpowering.

[Ominami] There is probably something generational in that.

[Gonzalez] Why are you trying to break with the past?

[Ominami] We have to be very careful about this. We have to look forward and change and grow, and I have given proof of this. Still, I do not believe that such renovation means cutting off the past. I do not like what some PPD people are saying, that renovation simply means breaking with the past. The only way to bring about such renewal is to recognize the tradition to which you belong, to make peace with it, and not to deny it.

[Gonzalez] You do not renounce anything?

[Ominami] I admit that I have changed a lot, but I do have a basic continuity. I have been part of the left since I was very young, and I am convinced that I will still be part of the left when I die.

* Cumplido on Judicial Reform, Supreme Court

91SM0494A Santiago EL MERCURIO in Spanish 18 Aug 91 pp D6, D7

[Interview with Justice Minister Francisco Cumplido by Raquel Correa; place and date not given]

[Text] It is impossible to imagine him furious, or even depressed. Speaking slowly in his cavernous voice, the justice minister with jet-black hair and deeply blue eyes takes everything as if it were coming to him directly from the hand of God.

"I am very happy," he says. He does not deny, however, that he has had to tackle a thousand and one difficulties. He was apparently expecting all of them.

[Correa] Some prisoners ran off again this week....

[Cumplido] Of course. It is the "right to flee" (smiles). And a jail that does not measure up anymore.

In recent months there have been even more controversial situations. But we have moved forward, step by step, calmly resolving the problems that carrying out the Coalition's program entails. [end of answer]

Francisco Cumplido Cereceda (60, married to Alicia Garcia Valdes, no children) combines a passion for constitutional and political law with deep religious faith. He even teaches catechism, preparing couples for marriage at Nuestra Senora de la Divina Providencia. He enjoys fine food ("My home is the best restaurant in Santiago," he is wont to say) and has an odd hobby: astrology.

A professor of law at the University of Chile for years, he was acquitted by Dean Hugo Rossende of "serious academic and political defiance." A former student of President Aylwin and, like him, a Christian Democrat, he trained in "The Group of the 24." They got together to study another constitution and other laws at a time when they never dreamed of coming to power.

The kindhearted Cumplido likes to rest at Cuncumen. He and his wife, from whom he is inseparable, live in the utmost simplicity. When Aylwin asked his ministers to declare their net worth when they took office, Cumplido was the first to arrive at the notary's office and the one who completed the formality the quickest. His assets consist entirely of an apartment on Providencia, a 1989 Renault 12 TL, four oil paintings, a few dollars, and his greatest treasure: a 17th century Christ in Agony that he inherited from his grandfather. Nothing else.

Political Prisoners

His ministry is concerned with two major issues: human rights and the reform of the justice system.

[Correa] Now that 16 months have passed, you are fighting for reform. Do you feel that the issue of human rights is behind you?

[Cumplido] We have made great progress in establishing the truth, cooperating with the justice system, and compensating victims morally and physically. Some trials are still pending, though.

[Correa] What is your goal: that no political prisoner be left behind bars?

[Cumplido] The government's program obliges us to pardon those who have not been involved in crimes of bloodshed or the kidnapping of minors. Our goal in the case of those guilty of homicide, inflicting serious bodily harm, and the kidnapping of minors, is to ensure them a trial before an independent court, with a proper defense and a fitting penalty. The constitutional reform has had to correct this through the power to pardon that a temporary article grants to the president in exceptional cases.

[Correa] Are you satisfied with this solution?

[Cumplido] It was a political solution that has consequences for the president, who has to take personal responsibility, and for me, his colleague.

[Correa] Has there been or will there be pardons for those who have committed crimes of bloodshed?

[Cumplido] Once they have been tried in court, the president examines each case and decides whether the punishment fits the crime. He evaluates how much they have been rehabilitated during preventive custody and requests a psychological report, a report on their potential reincorporation into society, and a political report certifying that they are not involved with the extremist movements that are operating at the moment.

[Correa] If the president had had to decide on the release of Vasily Carrillo, would he have denied him a pardon?

[Cumplido] Vasily Carrillo was found guilty only of violating the Arms Control Law. In light of this, he very likely would have had to be pardoned.

[Correa] Even if he continued to be involved with violent movements?

[Cumplido] No. If he had not broken with violent movements, he would not have been pardoned by the president. His sentence could have been commuted to exile.

[Correa] How many "political prisoners" are there left?

[Cumplido] At the moment there are 120 political prisoners, all of them with trials pending. Two of them were pardoned of their political crimes, but they had also committed common crimes, and therefore their situation is governed by the regular laws.

[Correa] How many have already been pardoned?

[Cumplido] When we took office, there were 397 in jail. We have to figure that 49 have escaped. Those who have left have done so by way of pardon or parole granted by the military courts or the regular courts.

[Correa] How much recidivism has there been?

[Cumplido] None. There is a single case of someone who in our opinion was more of a common criminal, but the previous government had put him in with those who had the privilege of being regarded as political prisoners. He had a month and a half to go on probation; he was pardoned and later nabbed on the street with a 1905 rifle that he was no doubt going to use to hold someone up.

[Correa] Mr. Minister, do you want everyone set free, even those who have committed murder?

[Cumplido] I want there to be no political prisoners in Chile. Of the remaining 120, there may very well be a group whose sentences will be commuted to exile if they so request. Otherwise, they will have to remain in prison under the conditions provided for by law.

Same Standard

[Correa] What approach would you take if government agents were now arrested on charges of having committed serious violations of human rights during the previous regime?

[Cumplido] They would have to be judged by an independent court, with a proper defense, and sentenced accordingly.

[Correa] Would you recommend a presidential pardon for them?

[Cumplido] I would have to study each case, as we are now doing with the president. We would have to see what sort of violations they committed, because torturing someone to death is very different from causing severe injury or treating someone in a degrading, inhuman manner....

[Correa] But what would your natural inclination be?

[Cumplido] To apply the same standard.

[Correa] What would you say to a foreigner who asked you: How can there be political prisoners under a democratic government?

[Cumplido] We took office on the basis of a program that we have to carry out. And the government's program makes distinctions: murder, serious bodily harm, and the kidnapping of minors are crimes that cannot be tolerated, regardless of the explanations that are given. Much less terrorist acts. And the truth is that in this out-of-date war, as I call it, there have been terrorist acts, such as tossing a bomb at a bus, killing a pregnant woman....

[Correa] In any case, does your moral or judicial sense not make a distinction?

[Cumplido] No. I think that terrorism, no matter what its origin or supposed justification, must be dealt with the same way. To me it is all the same. Both the systematic terrorism of the State at a given moment and terrorism as a reaction.

Repentance

[Correa] How would you evaluate your performance against terrorism during these 16 months?

[Cumplido] We never claimed that terrorism would disappear with the advent of democracy. What we said was that there would be a better chance [of eliminating it] through community cooperation under a democratic system, as has happened.

[Correa] Do you mean reports to the authorities?

[Cumplido] Yes, reports, information, tips, which are handled by Carabineros and Investigations.

[Correa] Do you not call the people who make such reports informers?

[Cumplido] No. One cannot be loyal to negative values. We speak of "effective repentance." We need to ferret out the young people who are being recruited and give them a chance, because otherwise they are lost for good. They need only be convicted once to undergo all of the human and physical maltreatment that is dished out in the prison system. This marks young people. We think that it is a good idea to give them a chance to repent, to disassociate themselves, and to cooperate in preventing future terrorist acts or maintaining the integrity of the terrorist group.

Terrorism and Crime

[Correa] Based on your information, has there been an increase or decrease in terrorism in recent times?

[Cumplido] Terrorist acts are on the wane. What often happens is that a common crime is mistaken for a terrorist act.

[Correa] Are bank robbers political prisoners, for example?

[Cumplido] In most cases today they are common criminals. Because there is a large faction of the Manuel Rodriguez Movement that has disassociated itself from the armed approach.

[Correa] Do you believe them, Mr. Minister?

[Cumplido] Yes. And the Lautaro Movement is very atomized. It is, rather, a by-product of poverty, which makes a solution more difficult. The problem of poverty among one segment of our young people has to be solved.

[Correa] As Chile's justice minister, what are you expecting in connection with the "Letelier affair"?

[Cumplido] I hope that it is investigated with total cooperation from all government agencies so that it can be cleared up.

[Correa] Of all the judges who could have been put in charge of this case, do you feel that Banados is the best choice?

[Cumplido] I think so. He is a great investigator, and under Chile's judicial system the judge is the one who does the investigating.

[Correa] Do you hope that Contreras and Espinoza are tried in the United States?

[Cumplido] Extradition is res judicata, if the grounds are the same as when the court issued a decision. As for the investigation in Chile, it depends on the evidence that is gathered.... I do not want to hazard an opinion.

[Correa] The U.S. justice system has found them guilty.

[Cumplido] That is what they have said, and I assume that they will convey the pertinent evidence to the investigating judge.

[Correa] What do you think of having two American attorneys "collaborate" in the investigation?

[Cumplido] I think that it is reasonable in the case of a crime that means a great deal to the American people. I suppose that they will furnish evidence, but they will no doubt have to do so through diplomatic channels or by advising the attorneys who are involved in the proceedings....

"The Supreme Court Does Not Interpret the Law"

[Correa] What sort of report were you expecting from the Supreme Court on the judicial reform that the government has proposed?
[Cumplido] The one that we received. Several justices had already expressed their opinions in public.

[Correa] Do you regard this report as indispensable?
[Cumplido] Very necessary...I agree with President Aylwin: the Judiciary is in crisis, in the proper sense of the word. The public lacks confidence in the justice system. Even though the chief justice of the court says that he is not interested in public opinion, the fact is that the Judiciary is a branch of government. There is also a lack of timeliness in the administration of justice. And justice that is not timely is not effective.

[Correa] Do you also agree with the president when he says that many of the judges "lacked moral courage" in discharging their functions under the previous regime?
[Cumplido] People have to be judged within their surroundings. In any event, judges and magistrates could have done more than they did. It is true that there were restrictions, but judging by the results I do not think that they fulfilled their obligation to protect human rights, despite having the tools to do so. When they did and the military government changed the laws on them, they did not protest: they remained silent.

[Correa] Do you think that they failed out of fear, because they agreed with the regime, or out of negligence?
[Cumplido] We have to make distinctions. Some agreed with the regime and gave it every possible facility to act. Others failed to act out of fear, I think. Various kinds of fear: fear of a repressive regime, fear that the courts would be reorganized, as has happened under other military regimes....

[Correa] But they are emphatic about asserting that their independence was never curtailed.
[Cumplido] I believe Mr. Enrique Correa Labra when he says that "no one ever called me." But the fact is that he was not the one they were calling. He issued dissenting opinions that reflected his independence. But (laughs), I do not think that anyone would have thought of calling him.... Others yes, and he knows that very well.

Decentralization

[Correa] To what do you attribute the Supreme Court's stand on the reform?
[Cumplido] First, it is reluctant to establish new institutions that will create difficulties for the country. Second, because many of the proposed measures are designed to decentralize the domestic power that the Supreme Court now has. The bill calls for more objective, better founded and more public assessments of personnel on two levels.... But at the moment the court has incontestable power over these and other matters.... They are opposed to the decentralization of their current official and unofficial power. Whoever has held total power will naturally defend himself when an attempt is made to decentralize it.

The Council

[Correa] One of the proposals challenged by the Supreme Court is the National Council of Justice. Will you defend this come hell or high water?
[Cumplido] The administration does not have the two-fifths vote in the Senate to pass the bill and is therefore obliged to enter into talks with the opposition.

[Correa] Are you prepared to withdraw the National Council of Justice?
[Cumplido] We have to come to terms. If at a given moment the powers of the National Council of Justice are transferred to other bodies, fulfilling the purpose of the reform, we have no objection. For example, we do not regard the current system of appointing Supreme Court justices as appropriate. It could lend itself to the formation of a judicial caste and to overly decisive influence for the president of the republic. We want the five-person list drafted by a participatory body, such as the Council, with judges and representatives of the Legislature and the other bodies of the judicial system such as the Bar and law departments.

[Correa] That would politicize justice.
[Cumplido] Every appointment entails a political decision. In many countries they are popularly elected. In the great majority the Legislature and the president appoint them. We in Chile prefer a participatory system, with a pluralistic council.

A Real Branch of Government

[Correa] In its report the Supreme Court complains that "it has never been recognized as a true branch of government and instead has always been regarded as a public service."
[Cumplido] I think so too. Consequently, the reform has to indicate the guidelines for establishing it as a real branch of government.

[Correa] Chief Justice Correa's complaint is that an attempt is being made to make the Judiciary a ward, to deprive it of its independence and autonomy.
[Cumplido] On the contrary. The reforms contain a series of measures to strengthen the Judiciary.

[Correa] The Council of Justice would allow subordinates and politicians to appoint Supreme Court justices. They allege that this "is an overt attack on the principle of hierarchy enshrined in the constitution."
[Cumplido] This shows that they do not want the rest of the Judiciary to be involved. Deep down they are calling for the preservation of a strong, centralized branch.

[Correa] Would you like to be evaluated by the ministry's doormen?
[Cumplido] At the university the students always told me how I was doing, and theirs was an opinion that I had

to take into account.... At the university the aides voted for a rector, as well as the academics at various levels. It is very important to have a comprehensive view of reality. Otherwise, you run the risk of not interpreting it properly. Today, unfortunately, the Supreme Court does not interpret the law, and the outcome depends on the division to which a given case is assigned. There have been contradictory sentences on the same case, such as the detectives who were acquitted. And the Supreme Court's primary function is to standardize the interpretation of law as enforced over time.

[Correa] The court is also opposed to the creation of the "Defender of the People." It says that this should not be part of the Judiciary or have judicial functions....
[Cumplido] If they read the bill carefully, they would see that it restricts the Defender of the People to dealing with government, not the Judiciary. The defenders of the people are like watchdogs of the rights of individuals vis-a-vis government.

Age, Specialty, and...

[Correa] You are proposing to lower the age limit for Supreme Court justices to 70 from 75. Why?
[Cumplido] The idea is to set a reasonable age so that "there are retirements on top."

[Correa] Their argument is: why have an age limit for justices and not for the president or senators....
[Cumplido] The president and legislators are elected by the people. There are several justices on the court who are over 75, which is not acceptable in other bureaucratic institutions such as the Armed Forces.... Age provides wisdom and experience but it also diminishes the capacity for work.

[Correa] The Supreme Court justices also reject separating the court into divisions whose members would serve five years. They argue that they have to be generalists....
[Cumplido] Specialization in law is a necessity in the modern world. The power to request information from experts is not enough. You must be able to understand the expert's report. The advantage of specialized divisions is that there will be uniformity in the interpretation of the law and, second, they will allow judges to become thoroughly familiar with complex knowledge and to dispense justice better.

[Correa] The justices see the proposal of "associate judges" as doing "great damage to the civil-service career."
[Cumplido] Quite the contrary. An associate judge will have the same status as a regular one, the difference being that he will be a traveling judge, with legal prohibitions, such as not being able to practice the profession.

[Correa] Why do you want to eliminate the "member attorneys"?
[Cumplido] Basically, the problem is that when a member attorney belongs to a law office, suspicions, a loss of confidence, arise about the office's cases in which he is involved, even if he is a completely clean.... They cannot be barred permanently from practicing the profession either. This is why we prefer full-time associate justices, because we want to restore complete confidence in the Judiciary.

[Correa] Why do you think the Court has rejected the increase from 17 to 21 justices?
[Cumplido] I submitted a bill to increase the number to 21, and a majority of the court approved. Now it has changed its mind. Twenty-one are needed to set up four specialized divisions with five justices each. They are opposed because they have a power center and do not want others who might alter this power center to come on the scene.

[Correa] They say that more are not needed, that they are not behind schedule....
[Cumplido] The truth is that they have made an effort and have been getting up to date. But we think that there ought to be a civil division, a criminal division, a labor division, and one that handles actions under administrative law and military matters. And we would rather have them consist always of regular justices.

[Correa] Do you think, Mr. Minister, that these changes will modernize and streamline the administration of justice?
[Cumplido] There are other changes too: reforms having to do with civil and penal procedure, the relationship between the law and the police; the complaint appeal in connection with expert reports has been established....

[Correa] Does the Supreme Court have a right to voice its opinion on changes affecting the Judiciary?
[Cumplido] Of course. It has already voiced it.

[Correa] And what will happen now?
[Cumplido] The Constituent Branch will now decide: the president of the Republic and the National Congress.

PCCh 'Unaware' of Arms Shipment Whereabouts

PY1909184191 Santiago Radio Chilena Network in Spanish 1700 GMT 19 Sep 91

[Text] The Communist Party of Chile [PCCh] is unaware of the destination of the arms introduced in our country by the Manuel Rodriguez Patriotic Front [FPMR] during the military regime.

PCCh Central Committee member Hector Acela thus stressed that the FPMR made a fundamental contribution in the struggle against the previous government.

Acela said that he was proud of the PCCh members who participated in the FPMR during the previous government. He stressed that the communists who joined the FPMR returned to the PCCh ranks following the end of the military regime.

Colombia

ELN Faction Decides To Join Peace Process

PA1909173291 Santa Fe de Bogota EL TIEMPO in Spanish 16 Sep 91 p 7A

[Text] Members of the so-called Socialist Renovating Current of the Army of National Liberation, Camilist Union (UC-ELN) on 15 September expressed their willingness to begin peace talks with the national government and declare a cease-fire almost immediately.

The announcement was made through a press communique secretly sent to the Colombian media. The communique said that "the Colombian nation and people want peace. Therefore, the Socialist Renovating Current is willing to begin talks with the government and the various social groups to seek agreements to advance toward the solution of the social conflict in the country."

They also announced their desire to join the CGSB [Simon Bolivar Guerrilla Coordinating Board] as members of the Colombian rebel movement "to contribute" to the current peace process.

They added that their interest in declaring a unilateral cease-fire during the last month of the electoral process, which will end on 27 October, is to "help the people choose the candidates with the most popular support and those who are most opposed to influence peddling and corruption."

The ELN [Army of National Liberation] dissident faction also announced that it supports the peace talks currently taking place in Caracas (Venezuela) between the Simon Bolivar Guerrilla Coordinating Board, which is comprised of the Revolutionary Armed Forces of Colombia (FARC) and the ELN.

They said that peace is not only the absence of an armed confrontation, but also the solution of the great conflicts that afflict the country "on the basis of real democracy, justice, and respect for human rights."

On 14 September, the government confirmed the group's decision and it was unofficially reported that the ELN dissident group already has had several direct contacts with the government.

Meanwhile, on 10 September, Presidential Adviser for Peace Jesus Antonio Bejarano will propose to the CGSB the creation of subcommissions within the table of negotiations to expedite the talks.

Those subcommissions reportedly will not have to study the legal situation of the rebels' spokesmen, which will be the exclusive responsibility of the Judicial Branch.

Finally, on 10 September a guerrilla spokesmen will announce a specific proposal for a cease-fire, which will include points such as permitting the spokesmen to not only promote the peace process, but also divulge the CGSB's political plan.

CNGSB Willingness for Negotiated Solution

PA1909163491 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 19 Sep 91

[Report by correspondent Francisco Tulande in Caracas]

[Text] Caracas, Venezuela—The Simon Bolivar National Guerrilla Coordinating Board [CNGSB] expressed its satisfaction for the upcoming visit to Venezuela of the Peace Advisory Commission, which was recently appointed by Colombian President Cesar Gaviria Trujillo.

CNGSB spokesman Alfonso Cano stated that the news related to the trip of the commission to Caracas is very important because it can shed some light that will serve to unblock the negotiations.

Cano pointed out that considering the current state of the peace dialogue between the government and the guerrillas, the presence of the advisory commission is fundamental because, in his opinion, agreements will not be reached when one of the sides wants to disqualify the other.

Furthermore, guerrilla delegate Ivan Marquez added that the CNGSB will maintain its willingness to negotiate, and will search for adequate mechanisms that will allow a negotiated solution to the conflict of violence in Colombia.

Reportage on Clashes With Guerrillas 15-17 Sep

PA1909182691

[Editorial Report] Santa Fe de Bogota
EL NUEVO SIGLO in Spanish on 16 September on page 19 carries a 500-word report that police aborted a takeover by guerrillas of the FARC, Revolutionary Armed Forces of Colombia, and ELN, Army of National Liberation, in Villa Colombia, Jamundi, Valle on 15 September.

The report adds that alleged members of the Simon Bolivar National Guerrilla Coordinating Board, CNGSB, reportedly "kidnapped, tortured, and killed" Luis Carlos Barrio Alumina, a former councilman; his son; an employee of the mayor's office in El Copey; and a former official of Palmeras in the coastal region. The bodies of the four victims were found in the rural region of Aracataca, Magdalena, according to the official report.

It goes on to say that former FARC members William Rivera and Miller Oviedo told authorities in El Caqueta that they "decided to desert from the 13th FARC Front" because of the bad treatment received from their superiors. The defectors, who turned over short- and long-range weapons and uniforms of exclusive use of the Armed Forces, said there have been many desertions in El Caqueta.

The report concludes that in La Guajira peasant leaders Jairo Marin Celada, Wilson Guerra Noriega, and Vicente Antonio Ramirez Sanjuan "were kidnapped, tortured, and murdered in Las Tinajitas, Patillal corregimiento, municipality of Valledupar." They had been kidnapped on 8 September in Urumita.

Santa Fe de Bogota Inravision Television Cadena 2 in Spanish on 0000 GMT on 17 September carries a one-minute report that "military intelligence forces are investigating the murder of Major Antonio Hurtado Leon, commander of Apartado Police." Hurtado went out on a bicycle ride the morning of 17 September with his bodyguards following him in motorcycles. One of the motorcycles had a flat tire, causing his bodyguards to stay behind. "Major Hurtado was intercepted by a vehicle with four men who opened fire and killed him in Chirido."

* Strengths, Gains of Financial System Discussed

91SM0478B Santa Fe de Bogota EL ESPECTADOR in Spanish 7 Aug 91 p 9A

[Text] Santa Fe de Bogota—In the midst of strict monetary control measures and credit restrictions, the country's financial institutions earned profits of 108 billion pesos in the first six months of 1991.

This represents an increase of 67 percent over the first half of 1990, when total profits were 64 billion 540 million pesos.

Banks earned profits of 63 billion 335 million pesos, an increase of 58.8 percent.

Financial companies registered positive results of 19 billion 163 million pesos, commercial finance companies 9 billion 829 million pesos, and savings and loan companies 14 billion 360 million pesos.

Cooperative associations earned 1 billion 225 million pesos, a gain of 60 percent over the first six months of 1990.

The greatest increase was achieved by commercial finance companies, whose profits rose from 5 billion 88 million pesos to 9 billion 829 million pesos.

These figures were announced on 6 August by the Superintendency of Banking, which attributed the improved earnings to the increase in the margin of monetary intermediation by the various financial institutions.

In other words, an important percentage of the profits was a result of an increase in the spread between the interest paid by the institutions to obtain money and the interest paid to them by borrowers.

This gross advantage in some institutions is as high as 15 points. That is, they take in money paying an average of 30 percent and they lend it out at 45 percent.

The departing superintendent of banking had this to say on the subject: "It is urgent that in the future there be more competitive behaviour in the money market so that the profitability of the sector not be sustained by increases in the margins of intermediation."

"Greater efficiency," he went on, "achieved by control of administrative costs, must be passed on in a lower cost of money to borrowers."

If the increase in interest rates paid by borrowers continues, the value of securities is likely to decline and loans not be paid off on time, which would cancel the gains obtained in the stabilization and recovery of the financial industry.

At the moment, banks are charging on average between 45 and 50 percent a year for credit and more than 55 percent for overdrafts.

Portfolio quality indicators in the financial system show no signs of weakness. On the contrary, debts more than six months overdue decreased from 3.1 percent in June 1990 to 2.4 percent in June 1991.

At the same time, goods received in payment declined in importance relative to assets, decreasing from 54 billion 800 million pesos to 40 billion 300 million pesos in the last 12 months.

This means that banks and other financial institutions now dispose of a larger volume of profitable assets.

Martinez Neira, who is moving over to the Board of Directors of the Bank of the Republic, expressed satisfaction over the performance of the financial institutions, which continue to show improvement in profitability, efficiency, and responsibility.

The Superintendency of Banking authorized the starting up of the Fiduciaria Cafetera (Fiducafe, S.A.) owned by the Banco Cafetero and Corfiorente.

The new institution will have an initial paid in capital of 1 billion pesos. The legal representative will be Ana Julia Restrepo.

The new Fiduciaria will start out with transactions amounting to 80 billion pesos, of which 30 billion from the Ordinary Common Fund, termed Rentacafe. The remaining 50 million pesos will come from the coffee industry.

Fiducafe's Board of Directors will consist of Julian Gutierrez, Hernando Horta, Benjamin Medina, Hector Caicedo and Gustavo Cuello.

The Banco Cafetero owns 93.9 per cent of the Fiduciaria and Corfiorente 6 per cent.

With regard to the condition of the financial system, the Superintendency of Banking said that the net worth of credit institutions had grown substantially in real terms. In June 1991 it registered an increase of 41.5 percent.

The total net worth of all financial institutions comes to 1 trillion 187 billion pesos, including the Caja Agraria and the Financiera Electrica Nacional.

The assets of the entire system amount to 9 trillion 202 billion pesos, a gain of 28.8 percent over the level reached in the first six months of 1990. Nevertheless, holdings of loans and discounts increased by barely 20.8 percent.

Credit in general showed negative growth rates between June 1990 and June 1991: Banks, 14 percent; financial companies, 26 percent; savings and loan companies, 30 percent; commercial finance companies, 21 percent; and cooperative associations, 25 percent.

* New Justice Minister Outlines Prison Reform

91SM0489A Santa Fe de Bogota EL ESPECTADOR in Spanish 11 Aug 91 p 8A

[Interview with Fernando Carrillo, minister of justice, by Carlos A. Moreno; first four paragraphs are EL ESPECTADOR introduction; place and date not given]

[Excerpt] The most difficult thing for the veteran employees of the Ministry of Justice to accustom themselves to where their new chief is concerned will not be his height—1.92 meters—but his age—28.

Although Monica de Greiff looked like an undergraduate when she took office as minister, her subordinates recognized the experience she had acquired in several months of work at the Ministry.

Experience, at least, is not the concern of Fernando Carrillo. "I am a lawyer; I have specialized in law; and I have been dealing with justice issues since the very moment I joined Cesar Gaviria's presidential campaign. I was the coordinator of the justice committee during the campaign; I served as the presidential adviser on institutional reform; and I served as the president of the Justice Commission in the Constituent National Assembly."

What really concerns Fernando Carrillo is his immediate task. Jaime Giraldo Angel resigned while his office was preparing to submit the proposals on the state of emergency, which were destined to become permanent legislation, to the "little congress" for study, along with all of the drafts pertaining to the new court institutions, ranging from the Higher Judicature Council to the Office of the Attorney General.

[Moreno] What is your primary concern?

[Carrillo] We are engaged in a task of compilation. We are reconciling the old norms for a state of emergency with the new constitutional principles. We have already studied a number of issues, and this coming week, we will submit our conclusions to the Legislative Commission. Some have thought that the task of prior checking on constitutionality falls to the Legislative Commission, but this is precisely the work that we ourselves are doing.

[Moreno] And as to long-term goals, what court reforms do you plan to carry out?

[Carrillo] First of all, there is the teaching function of the new Constitution, providing full education concerning rights, and teaching the new governing principles to both the judges and the citizens. On this point, I hope that the Rodrigo Lara Bonilla Judicial School can play a great role.

Secondly, there is the reform of legal education. The time has come to modernize the curricula of the faculties of law. The teaching of law in Colombia must be rethought as a function of the new realities. It must be integrated with the social reality in the country, the social service expected of the attorney.

The third great issue is the reform of penitentiary policy. If we are thinking in terms of rehabilitating criminals, we must develop imaginative ways of humanizing the prisons.

And the fourth issue is the definitive transformation of the Ministry into a body for the planning and development of the justice sector. The neurons of the court system in the Colombia of the future must be found in the Ministry. It is here that everything pertaining to the sector should be planned and articulated.

Prison Reform Planned

At the press conference he held at the end of his first year in government, President Cesar Gaviria said that penitentiary reform would be one of the main tasks of his close collaborators.

Although such reform had already been announced by Giraldo Angel, the chief executive gave assurance that an advisory commission is to be appointed to suggest measures for rehabilitation efforts in the penitentiaries.

[Moreno] What does the sweeping reform of the prison sector you are planning involve?

[Carrillo] The most important thing is the development of a new penitentiary philosophy, a new prison policy. The current Prison Code, which dates back to 1963, has not developed with the new realities.

The priority issue is relieving prison crowding. Although there are those who claim that there is no crowding in our national prisons, I believe that this has been one of the basic problems.

It is necessary to advance substantially in the realm of industrialization. The prisons in the developed countries are production centers. Currently, I understand, a third of the 32,000 prisoners in Colombia have a production potential, but it must be extended to the other prisoners.

Industrial activity in the prisons must be reviewed, moreover, in terms of the economic structure of the country, as a function of the more open economic approach and internationalization.

Where education is concerned, the possibility of providing some type of middle-level or higher education for the inmates of some prisons is being considered. The methodology might be a part-time school or a correspondence-course system. This is our thinking as regards a forward-looking penitentiary policy.

There are other internal issues pertaining to drastic actions to curb the vices existing in the prison administration or guard corps.

The resignation of Carrillo's predecessor was the result of his refusal to appoint a military director general of prisons. This is a step on which a number of members of the National Security Council, who allege irregularities in prison management, are practically insisting.

The young minister has on his desk the files of four military officers in active service. The government has already considered appointing a retired military officer to fill this post. The first and most important government decision Carrillo will make in his entire life might put the entire future prison reform at risk.

[Moreno] If the function of the military is repression, and the intention of the government is prison rehabilitation, would the appointment of a military officer as the head of the prison system not be counterproductive?

[Carrillo] If the possibility of appointing a director general of prisons who is not a civilian is being contemplated, it is because the effects of an entire situation are being assessed. If there is anything which needs to be guaranteed, it is precisely the security of the prisoners.

It is not a question of militarizing the prisons. If a decision of this sort is made, the director of prisons would be made hierarchically subordinate to the minister of justice. There is no desire to establish a series of military procedures in the prisons which might be in conflict with the principles of the penitentiary policy.

All that is wanted is to prevent irregularities from occurring within the prisons, to create some parameters for proper conduct, and to maintain consistency with them. [passage omitted]

Paraguay

French Official Announces Agreements on Debt

PY1909205391 Asuncion ABC COLOR in Spanish 19 Sep 91 p 9

[Quotation marks as published]

[Text] Alain Vivien, French minister delegate for foreign affairs, said yesterday that the Paraguayan foreign debt with France, approximately $300 million, will be resolved at the end of this year or the beginning of next year.

Vivien announced that the two countries will sign an extradition treaty soon. The minister agreed that Paraguayan and French officials responsible for the use of French credits in public works in this country should be brought to trial if there is evidence of criminal intent.

"If negotiations between IMF and Paraguayan authorities progress as we expect, we may reach an agreement on our bilateral debt by the end of this year. The French Government, which presides over the Paris Club, will seek a final solution to this issue," Vivien said.

The French minister said that during his meeting with President Andres Rodriguez, Finance Minister Juan Jose Diaz Perez, and Foreign Minister Alexis Frutos Vaesken, the Paraguayan officials expressed the country's willingness to seek a solution to the problem. The minister said that an agreement on that matter will pave the way for new credits to help the development of our country "which is barely beginning."

Vivien said: "Various possibilities can be analyzed when the Paris Club examines the Paraguayan foreign debt. He added: "Among the possibilities are the restructuring of delinquent debts, the restructuring of the total debt and interests, and, eventually, the cancellation or pardon of the foreign debt."

The French minister said that the Paris Club pardoned the debt of the poorest nations and that the only Latin American country that benefited from a pardon is Bolivia, "the debt was reduced by a third."

When reporters pointed out that Paraguayan authorities consider part of the debt to be "immoral," the minister said: "When a country signs a contract it must accept the responsibility. The Paraguayan Government recognizes its obligations and wants to fulfill its commitments in accordance with international laws. A default would damage the image of the country, making it difficult to obtain new credits. Paraguay always recognized its debt (with France) and maintains that it will pay," Vivien repeated.

The minister said that Paraguay's obligation to fulfill its commitments is totally separate from the possibility of trying French officials for alleged corruption in public works projects. Vivien said that the issue must be decided by the courts.

Vivien announced that Paraguayan authorities agreed to sign two bilateral agreements: an extradition treaty, and one on judicial and economic matters.

"The first is an extradition agreement which will allow us to resolve pending problems," said Vivien without elaborating further. The second agreement involves juridical and economic problems, and ways to improve civilian legal and commercial proceedings.

Taiwan Donates Training Planes to Air Force

PY1909140291 Asuncion NOTICIAS in Spanish 19 Sep 91 p 15

[Summary] At a ceremony at Nu Guazu Air Base yesterday, Taiwanese Ambassador Wang Sheng gave to the Paraguayan Air Force six T-33 advanced training planes, several instruments, and three engines for C-47 planes, donated by the Republic of China. Air Force Commander General Dionisio Cabello thanked the gesture by the sister Republic of China and added that these planes represent one of the strengths of the Paraguayan Armed Forces.

Peru

Fujimori on Terrorism Strategy, U.S. Accord

PA1909161091 Lima Radio Programas del Peru Network in Spanish 1800 GMT 18 Sep 91

[Text] This morning we received a report by Dennis Vargas from Washington with statements by the president before the Permanent Council of the OAS, where he delivered a brief speech. The president of the Republic stated that the Peruvian strategy against terrorism and narcotics trafficking is not based on a policy of indiscriminate repression and destruction.

The president said that Peru has chosen a rational strategy to try to reestablish the presence of the government in areas of conflict, as well as gain the support of the population by restoring confidence in their institutions.

[Begin Fujimori recording, in progress] ...is at a very particular juncture, given the continuing situation of violence, which threatens the consolidation of the institutions and blocks economic development.

Violence has become one of the most important factors of the crisis that we are currently facing. Within this context, the task of pacification is very difficult. In the struggle against terrorism and drug trafficking—which have become allies today—my government has chosen a rational strategy, not the strategy of indiscriminate repression or destruction, which would only favor these criminals. My government has chosen to restore the presence of the government in the areas where terrorists and drug traffickers operate, and regain the confidence of the population through a new role of our Armed Forces, which have today become a means of development.

We do not want to regain territory and simply restore order there. We want to regain the confidence of the population by having them once again believe in institutions which have been modernized, reformed, and reoriented toward development. [end recording]

The president stated that the strategy against drug trafficking is based on knowing enough to differentiate between the peasants who grow coca leaves and drug traffickers. He indicated that, in the agreement signed with the United States, it was clear that the peasants were not a link in the drug trafficking network.

[Begin Fujimori recording] With regard to the struggle against drug trafficking, our strategy is based on knowing enough to differentiate between the peasants who grow coca leaves and the drug traffickers, who are responsible for causing chaos to humankind. The peasants are also exploited and victims of the drug traffickers. It would be enough to say that Peruvian peasants only receive $100 million from the drug trafficking business, which here in the streets of the drug-consuming countries represents more than $50 billion.

Peru has signed an agreement with the United States to fight drugs. This agreement clearly states that the Peruvian peasants who grow coca leaves are not a link in the drug trafficking network. It also states that we have to establish the conditions for the development of alternate crops, as well as an atmosphere to facilitate the sale of substituting products at the market, create roads, and provide credits and access foreign markets.

We are convinced that, with the support of the United States, we will defeat drug trafficking. [end recording]

Reportage on Terrorist-Related Activities

State of Emergency in Apurimac

PA1909204791 Mexico City NOTIMEX in Spanish 2329 GMT 18 Sep 91

[Text] Lima, 18 Sep (NOTIMEX)—Due to an increase in subsersive activity, the Defense Ministry has started a 60-day state of emergency in Apurimac Department, in the southern Andean region.

A government mandate indicated that the Army will be in charge of the internal order in that department, which is adjacent to strife-torn Ayacucho Department, considered the chief bastion of the Maoist Shining Path movement.

The emergency measure covers the entire department, measuring over 15,000 square km and with a population of almost 193,000.

The mandate also suspended constitutional guarantees, such as the right to assemble and the sanctity of homes.

Almost 40 percent of Peruvian territory is in a state of emergency, and the rights of over 50 percent of the people have been restricted.

Police Arrest 127

PY1909033091 Lima EL COMERCIO in Spanish 11 Sep 91 p A10

[Text] Cajamarca, 10 Sep—Thirty-eight Shining Path terrorists, including high-ranking subversives, were arrested in the Celendin, Namara, and San Marcos areas, as well as in Cajabamba Province, during operations by personnel from the 6th Police District in Cajamarca.

Police also confiscated a revolver, an AKM, and 535 dynamite sticks.

The police, commanded by Colonel Jose Miguel Puga Vera, carried out the operations following a subversive attack on the La Encanada Police post last August in which three policemen were killed.

Emiliano Escobar Lucano, 25, a.k.a. "Cuca," who confessed to killing police guard William Saavedra Granados, one of the three police victims in La Encanada, was placed under the jurisdiction of the court that tries terrorist cases. The other police victims were Third Sergeant Jorge Villanueva Alvarado and Second Sargent Alfonso Chavez Zegarra.

Police reported that the following terrorists also participated in the attack on the La Encanada Police post: Sonia Elizabeth Rojas Prieto, 31, teacher, a.k.a. "Comrade Sonia;" Segundo Vasquez, 18, a.k.a. "Hugo;" Segundo Santos Machuca Aguilar, 18, a.k.a. "Miche;" Felipe Quiroz Malaver, 42, a.k.a. "Felipe;" Luis Vasquez Bringa, 27, a.k.a. "Luis;" Alfonso Vasquez Salazar, 35; and a 15-year-old minor.

The police also placed in custody another 89 alleged terrorists including the murderers of the following: nine policemen who were ambushed in Saypullo District last June; Segundo Paredes Tapia, mayor of Shirac, San Marcos; Francisco Baca Romero, president of the agrarian cooperative of Jotos, Cajabamba, and his son; seven members of a peasant family in Algamarca, Cajabamba; Engineer Humberto Vasquez Cosme, chief of the Cajabamba Popular Cooperative.Also in custodyare the perpetrators of several attacks against public institutions in the provinces of San Marcos and Cajabamba.

Ayacucho Shining Path Members Die

PA1909162391 Madrid EFE in Spanish 1630 GMT 17 Sep 91

[Text] Lima, 17 Sep (EFE)—At least 25 members of the Maoist Shining Path group were killed on 16 September in a clash with the Peruvian security forces in Ayacucho Department to the north of Lima, the local press reported today.

The Lima daily EXPRESO reported that the Shining Path members ambushed a police patrol in an area called La Tapuna, on the highway to Huanta, a city in the south Andean Ayacucho Department.

The police called the Army by radio and confronted the Shining Path members, who sustained 25 casualties, while the security forces suffered none.

According to the same report quoting police sources, the Shining Path members also killed a peasant in Santa Rosa, Ayacucho, and kidnapped two persons to join their ranks.

Also on 16 September, there was an attempt to attack the refinery in La Pampilla, near Lima, but the police prevented that.

In Miraflores District, Lima, a group of alleged Shining Path members attacked on 16 September the Electoral Registrar's Office in the area, and stole several electoral identification cards and other documents necessary for voting.

Shining Path continues to intimidate the community leaders in the poor neighborhoods on the outskirts of Lima, where it killed three individuals on 14 September.

The Army last week went into the Felix Raucana neighborhood where the Shining Path people had set up barricades and dug trenches.

According to the analysts following the actions of the Shining Path group led by Abimael Guzman, its strategy is to besiege Lima from the neighborhoods.

The war that Shining Path began in May 1980 and that other armed organizations, such as the Tupac Amaru Revolutionary Movement have joined, has already taken a toll of 23,000 dead and damage estimated at $18 billion, according to a Peruvian Senate commission.

Army Kills 35 Rebels in Huanuco

PA2009020391 Lima Global de Television Network in Spanish 0104 GMT 20 Sep 91

[Text] Early in the morning of 19 September, an Army patrol killed 35 rebels, out of approximately 60, who were hiding out in a densely overgrown area. The rebels were apparently preparing for an ambush.

A violent shootout took place near the village of (Cotomiyo), Leoncio Prado, Huanuco Department, 22 km from Tingo Maria. Military sources said that a second sergeant from the Army patrol was seriously wounded during the armed clash with the rebels.

Augusto Salaberri Pereira, the chief of the political-military command of the zone, traveled to the village of (Cotomiyo) and reported on this clash. Two Army helicopter gunships were deployed to (Cotomiyo) as well. It was reported that the rebels, 25 of whom were able to escape into the jungle, had modern weapons. They had mortars and explosives, as well as documents containing the terrorist plans they were getting ready to carry out.

Roundup of Terrorist Activities

PY1909164591

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 9 September and 16 September. Publication information is given in parentheses after each item.

Alleged terrorists murdered Lorenzo Victoriano Lopez Cueva on 8 September because he refused to pay them. Lopez Cueva, a wealthy rancher from Chaca Cerro in

Comas District, is the second rancher murdered in this zone in 13 days. On 27 August, terrorists machine-gunned the brother of rancher Bernardino Robles Lopez and his son. (Lima LA REPUBLICA in Spanish 9 Sep 91 p 25)

Shining Path terrorists hurled a powerful dynamite charge at the building of the Women's Popular Federation, which supplies foodstuffs to the poorest groups. The attack left almost 2,000 families from Villa El Salvador District in Lima without food assistance. (Lima EL COMERCIO in Spanish 11 Sep 91 p 1)

One terrorist died and two others were arrested in a shoot-out with General Police personnel. The fight occurred on the morning of 10 September when police found the terrorists planting 80 kg of dynamite on a road used by a military bus early in the morning. (Lima EL COMERCIO in Spanish 11 Sep 91 p A9)

The Army and National Police combined forces arrested seven members of two Shining Path annihilation groups that murdered authorities and police officers and perpetrated about 50 terrorist attacks in the Arequipa and Cuzco Departments. (Lima LA REPUBLICA in Spanish 12 Sep 91 p 26)

A Security Police spokesman reported that about 400 high-tension pylons of the Mantaro Interconnected Network were mined between June and August. These pylons are considered strategic for Lima's electricity supply. (Lima EL COMERCIO in Spanish 12 Sep 91 p A13)

Alleged terrorists shot and killed two people and injured three students during several attacks in Huancayo. The terrorists also made dynamite attacks that caused major damage. (Lima EL COMERCIO in Spanish 12 Sep p A13)

An official communique reported that a lieutenant, five soldiers, a civilian, and four terrorists died on 10 September in a clash between Army troops and Shining Path terrorists in Melgar Province, Puno Department. (Lima EL COMERCIO in Spanish 12 Sep 91 p A12)

On 14 September, about 50 terrorists attacked the facilities of the El Carmen ranch in Puno Department, killing the manager and bombing the facilities and a vehicle. They also killed nine cows and stole food, clothes, and other valuable items. (Lima LA REPUBLICA in Spanish 15 Sep p 30)

On the night of 12 September, 15 alleged terrorists hurled incendiary bombs at several administrative offices of the Rural Education Institute in Mazo, 20 km north of Huacho. Fires destroyed furniture, files, and equipment worth more than $10,000. (Lima EL COMERCIO in Spanish 15 Sep 91 p A12)

A Shining Path annihilation group attacked a patrol car in Chiclayo on 14 September. Two National Police sergeants were seriously injured in the attack. (Lima LA REPUBLICA in Spanish 15 Sep 91 p 30)

Police found the body of Alberto Pipa Toscano on the bank of the Rimac River in Lima. Pipa Toscano was secretary general of the Horacio Zeballos shantytown. He was kidnapped on 11 September by unknown individuals when he left his house. (Lima EXPRESO in Spanish 16 Sep 91 p A6)

Shining Path terrorists murdered the mayor, the deputy mayor, and the governor of the Laramarca District, Huaytara Province, Ayacucho Department. The incident occurred on 28 August. The terrorists had threatened them with death because of their constant work in support of the community. (Lima EXPRESO in Spanish 16 Sep 91 p A8)

Executive Decree Aids Missing Persons Cases

PY1809130891 Lima LA REPUBLICA in Spanish 15 Sep 91 p 31

[Report by correspondent Luis Velasquez Tagle]

[Text] Huanuco, 14 Sep—Lucio Zambrano Mejia, district attorney of the Huanuco-Pasco-Ucayali jurisdiction, said that 300 people this year are reported missing in Ucayali Province with approximately 150 missing in Leoncio Prado Province.

Zambrano stated that, thanks to an executive branch decree published two weeks ago, prosecutors now may walk into any police station nationwide. He said this measure has prevented the number of missing persons from increasing.

Zambrano said the number of missing people is high because they sometimes are recruited by subversives, arrested by security forces, or voluntarily move to other areas.

He made it clear that the authorization given to prosecutors to enter police barracks or any other police facility has brought relief to the relatives of missing people.

Zambrano announced that, under the new measure, any human rights prosecutor can order the release of a person who was believed missing but found in custody of any police facility.

Zambrano said: "The prosecutor investigates if the detainee is held in a police station; if so, the prosecutor enters the building and orders his release. He finally delivers the detainee to his relatives."

The responsibility for the detaineee then shifts from the prosecutor to the detainee's family.

Zambrano said most of the missing people in his jurisdiction are from the provinces of Leoncio Prado and Ucayali. No missing people have been reported in the provinces of Dos de Mayo, Huamalies, and Ambo in Huanuco; or in the provinces of Cerro de Pasco and Daniel Alcides Carron in Pasco.

Government Decree Promotes Private Investment

PY1809232391 Lima EL COMERCIO in Spanish 13 Sep 91 p 1

[Text] The executive branch promulgated yesterday Legislative Decree 668 which guarantees foreign and domestic trade freedom as a basic condition to achieve development in the country.

The decree eliminates and prohibits all exclusivity, limitation, or other type of restricting practice in the production and marketing of goods. It also excludes the rendering of all types of services including those rendered by central government offices and state organizations.

The decree also guarantees the free possession, use, and domestic and foreign distribution of foreign currency by individuals and corporations established in our country. The decree also guarantees the free convertibility of the national currency at a single exchange rate.

The decree provides that the state, with the support of the private sector, will guarantee the development of international trade negotiations, seeking to guarantee the best conditions for our exports.

Concerning imports, the decree prohibits the application of surtaxes, tax quotas, or any other taxes, with the sole exception of customs duties and domestic sales taxes.

The decree authorizes the repayment of the taxes mentioned in Paragraph 1 of Article 9 of Supreme Decree 052-9-EF that affect the productive process or the production costs of export goods involved in this provision.

The decree also guarantees the right of any individual or corporation to conduct foreign trade operations without any type of non-tariff barriers and states that all licenses, resolutions, visas, import registries, and all types of registries involving imports or exports are abolished.

The traditional exports tax (Supreme Decree 084-9-EF) are effective until 31 December 1991.

The decree highlights that the state will implement measures to prevent and correct distortions created by unfair competition in international trade, such as dumping [preceding word in English] or subsidies.

The procedure to apply the antidumping [preceding word in English] and compensatory rights arising from the application of the aforementioned provision will be approved by a supreme decree signed by the economy minister.

State of Emergency in Radio, Television Firm

PA1909040091 Lima Global de Television Network in Spanish 0100 GMT 19 Sep 91

[Text] The Peruvian Enterprise of Movie, Radio, and Television Corporation, RTP [Empresa de Cine, Radio y Television Peruana Sociedad Anonima], was declared today to be in a state of emergency for a period of 180 days. Its directorate was authorized to adopt measures aimed at overcoming its economic, financial, and operational problems by implementing a personnel reduction program.

According to Decree No. 148 of the Presidency of the Council of Ministers, the state-owned written and audiovisual media enterprise must be reorganized to effectively fulfill its mission of social service. RTP must present to the Labor Ministry a request to reduce personnel. It must include the name of the workers who will be included in this measure. There is no mention of the payment of special incentives to workers.

The decree also authorizes RTP to renegotiate its debts with both public and private organizations within the 180-day state of emergency.

Government Creates Human Rights Committee

PY1909194991 Madrid EFE in Spanish 1737 GMT 19 Sep 91

[Text] Lima, 19 Sep (ANDINA)—The Interior Ministry has created the National Human Rights Committee to control and coordinate respect for human rights in the interior of the country in accordance with the government policy of guaranteeing full respect for constitutional principles in this field.

The committee will centralize and coordinate human rights policies in the interior, guide and control the action of political authorities and the national police, and communicate and coordinate the activities of organizations involved in implementing national human right policies.

The committee will also process information and coordinate actions for international human right organizations.

Interior Vice Minister David Mejia Galindo will preside over the committee. The committee members are Lieutenant General Adolfo Cuba y Escobedo, PNP [Peruvian National Police] director general; General Fernando Calderon Hurtado, Interior Government director; and General Eduardo Ruiz Botto, PNP inspector general.

* Bolona on Support Group, Inflation, Taxes

91SM0479A Lima CARETAS in Spanish 19 Aug 91 pp 26-29, 90

[Interview with Economy and Finance Minister Carlos Bolona by Fernando Rospigliosi; date and place not given; first paragraph is CARETAS introduction]

[Text] After the short trip made to Europe and North America by Economy and Finance Minister Carlos Bolona the picture for Peru's return to the international market seems clear, and the next steps to be taken seem to be well defined. Nevertheless, Peru will have to submit to a rigorous examination by the IMF every three months to prove that the agreed upon goals are being reached. In the following interview Bolona talks about the details of his trip and the difficulties of domestic economic policy.

[Rospigliosi] What definitive contributions from the Support Group did you succeed in obtaining during your trip?
[Bolona] We have more or less $1,115 million committed. These commitments are broken down as follows: Japan, $400 million; the United States, $350 million; Germany, $150 million; Spain, $50 million; Canada, $40 million; the Andean Group, $40 million; Italy, $30 million; the Netherlands, $20 million; France, $15 million; Switzerland, $10 million; Sweden, $5 million; and Belgium, $5 million.

I believe that we could be covered for the first year, although we have not reached the figure of $1,300 million, which is what we would need for 1991 and 1992. For 1991 we needed $522 million.

[Rospigliosi] What was achieved on this trip?
[Bolona] First, consolidating the Italian contribution, the $30 million. France did not increase its contribution of $15 million for the two years, and that could create some problems, because other countries which are smaller than France say, "Everything is being done as a function of Gross Domestic Product. If France does not contribute more, why should we?" Really, the French were quite pessimistic. Sweden was an agreeable surprise: $5 million in grant aid, free of strings, which might be repeated in 1992. Switzerland was also positive, providing $10 million free of strings, and will probably repeat that commitment in 1992. And Norway, which normally concentrated on Africa, might be ready to help us.

[Rospigliosi] Some of these commitments were grants. However, the others were loans. Under what conditions?
[Bolona] Principally, they were loans on easy terms. The best kind of loan on easy terms is a grant, which means no repayments and no interest. Meanwhile, a loan on easy terms normally provides for a 10 year grace period, 20 years for repayment, and 2.5 percent interest.

[Rospigliosi] Are those loans tied or are they usable anywhere?
[Bolona] The Saxon countries of Northern Europe provided loans absolutely free of strings. Some other countries, such as the United States, have a portion of their loans tied. This includes the Anti-Drug Agreement, for example. Then what we are looking for is to untie the loans as much as possible to obtain fiscal relief and achieve flexibility. The loan from Japan, as far as I understand it, is totally free of ties. The loan from Germany is partly tied to specific projects. A substantial part of the loan from the United States is tied to specific programs and projects. When it was suggested to some countries that, in addition to a grant, they give us something more, such as a loan on easy terms, $30 million, for example, they said: "We prefer to make a gift to Peru in cash and be good friends in this new, emerging relationship and not have problems because you do not pay us."

Another problem which also came up is the case of the BCCI [Bank of Credit and Commerce International]. They always ask, what is happening, how did it happen? It could affect us because of the relationship. They know that there is corruption in Peru and that they are giving money to a country which has had a bad experience with corruption, even though it was very clear that this happened under the previous government. However, this can cause us problems because they will also say, why should we not make a moral judgment on this?

[Rospigliosi] How did you reply to those comments?
[Bolona] We were very categorical in saying that this is the responsibility of officials of the previous government and that we are taking the matter very seriously by attacking the problem at its roots and taking it to court.

[Rospigliosi] What are the next steps to be taken?
[Bolona] The schedule is as follows. A meeting with the Support Group at the end of August in Spain. On 12 September the program will be approved by the International Monetary Fund. There will be a meeting of the Paris Club on 16 September. And then, on 18 September, comes the trip of President Fujimori to the U. S. That could lead to the signature of the agreement with the International Development Bank [IDB] and a broadening of U. S. support for Peru.

[Rospigliosi] The Board of Directors of the IMF is going to approve the Peruvian program. How long will this program last?
[Bolona] It is a two year program.

[Rospigliosi] Does that mean two years from the date when it is approved or has the two year period already begun?
[Bolona] The two year period is already under way. The ideal outcome is that they will consider that we have succeeded after 1991.

[Rospigliosi] What are the principal goals which the plan includes?
[Bolona] The plan has the very clear goal of reducing inflation. We should complete reducing it to less than two percent per month by the end of 1992. The plan has a goal of increasing reserves in 1991 and 1992. For 1991 the goal is to increase reserves by $400 million. Clearly, we are going to reach that goal. And in 1992 there will be an increase in reserves which I do not believe will be as great, although it will be an adequate increase in reserves. Another goal is to lower the budget deficit to less than four percent of Gross Domestic Product in 1991 and to keep it at a lower level in 1992.

The net internal financing of the public sector will be zero. There will be no emission of currency to pay for the costs of the public sector. Another goal concerns the pressure of taxes. In 1991 we should reach a level of between 8.5 to 9.0 percent. It is going to be difficult to reach that goal. Not the 12 percent which was budgeted, which was totally unreal. And I think that in 1992 we would be proposing a tax level of 10 or 11 percent. And there is a whole series of measures to be taken to reach that goal. There are measures to be taken in terms of monetary and tax policy. Regarding structural reforms, I think that we are going along fairly well and that we are even ahead of what the World Bank or the International Monetary Fund might have imagined.

[Rospigliosi] What is included in those reforms—privatizations, liberalizations?

[Bolona] Privatizations, liberalizations—I think that we have made progress there. Tariff duties, for example. I think that we have done that.

[Rospigliosi] And the International Monetary Fund checks this situation every three months?

[Bolona] Yes, quarterly.

[Rospigliosi] In case we have not done what is necessary, what would happen?

[Bolona] They would have to see how many goals were not met and to what extent they were not met. That is, by what percentage the goals were not met. On that basis, either they give us a waiver so that we could adjust our course once again or, if they do not give us a waiver, we would be at the point of a complete failure to carry out the program. We would really have to renegotiate the program and begin again. That would cut off the whole program. If we fail to perform with the International Monetary Fund, everything else falls apart: the Support Group, the Paris Club, and bilateral loans.

[Rospigliosi] When the goals are reached, will the program of accumulating rights enter into effect?

[Bolona] That would clear up payments overdue to the International Monetary Fund and the World Bank.

[Rospigliosi] For which years?

[Bolona] The previous, cumulative overdue payments. The $800 million overdue from the past, both to the Fund as well as to the World Bank. When we clear up overdue payments and are definitively restructuring all overdue payments and eliminating overdue payments with this system. They do not give us any money, but to some extent they are condoning the overdue payments.

[Rospigliosi] Has something else been arranged with the World Bank in addition to the system of accumulating rights?

[Bolona] The World Bank cannot give us money directly, because we still owe them $800 million. However, they would co-finance the overdue payments through the International Development Bank [IDB]. They would channel repayment through the IDB. We certainly have to make all of the overdue payments to the IDB. And the FLAR [Latin American Reserve Fund] exists for that purpose.

[Rospigliosi] How will matters be arranged with the IDB?

[Bolona] We owe the IDB about $370 million. The FLAR will extend a loan to the IDB and clear up all of the overdue payments from previous years and part of the overdue payments for 1991. This can be done with the help of a bridge credit and with the FLAR loan. Recently, we learned that the IDB can now spend money.

[Rospigliosi] In 1991?

[Bolona] During the first half of 1992 there will be money for various projects, for highways, for sanitation, and also to finance structural reforms. Because this first amount of money is going to be used to clean up overdue debts.

[Rospigliosi] How much, more or less?

[Bolona] The total amount which is planned to be repaid is $1.3 billion.

[Rospigliosi] What is the situation with the Paris Club?

[Bolona] We are preparing a draft proposal for negotiation as soon as the program is in effect. That is very important, because the Paris Club can give us $100 million worth of payments relief. We have to try as best we can to avoid having to make the overdue payments in 1991 and to pay very little or a fairly manageable amount of money in 1992.

[Rospigliosi] And the total amount of that debt is $6.8 billion?

[Bolona] More or less. The exact figures are: Germany, $594 million; Belgium, $170 million; Canada, $327 million; Denmark, $4.5 million; Spain, $475 million; the United States $1.4 billion; Finland, $60 million; France, $1.27 billion; Holland, $480 million; Italy, $908 million; Japan, $612 million; Norway, $57 million; the United Kingdom, $206 million; Sweden, $177 million; and Switzerland, $87 million.

[Rospigliosi] Are there any countries prepared to forgive the debt?

[Bolona] The countries which normally have forgiven debt have included the U. S. in particular and some European countries. Now Japan, obviously, does not want to forgive the debt owed to it. In their view forgiving a debt is a bad word. So we cannot speak in a multilateral way of debt forgiveness but only on a country by country basis, when we enter into bilateral arrangements.

[Rospigliosi] So what do we say to the group of creditors?

[Bolona] With the group of creditors we have to talk about refinancing and restructuring the debt on the best possible terms. Or, in other words, stretching out repayment of the debt to the maximum extent. We are talking about a period of many years. And after that we go into bilateral negotiations. Then it will not be the minister of economy and finance but debt negotiators who go from country to country. We can go into those negotiations, looking for better terms than we have been given by the group of creditors.

[Rospigliosi] When will payments from the Support Group begin to be made?
[Bolona] Many of the payments will have to come after the meeting of the Paris Club. From the United States, there will not have to be any wait. However, Germany, for example, has conditioned its participation in the payments program on the meeting of the Paris Club. Therefore, this is why it is important for Germany to enter the Paris Club. And Japan as well.

Now, when all of that is taken care of, we will have to look into the payments. It is not as if we can just sit down and our creditors will come to us.

Economic Policy

[Rospigliosi] What are you thinking of doing about the fall in the value of the U. S. dollar, which is one of the most serious problems?
[Bolona] In addition to the emission of the currency the Central Bank is also reducing the rate of emission of currency. As a result the inflation rate was 3.3 percent by the middle of August and may reach 6.6 to 7.0 percent for the month. However, even with a smaller emission of currency, which is bringing down inflation, dollars can be bought or we can undertake what is called a "dirty" float. That is, buying more foreign exchange but increasing the marginal reserve required for deposits in foreign currency. That is what is being done. And we should have done this two weeks ago or even earlier. We should not have waited until the dollar fell to 740 to begin to react. When the dollar was at 810 or 820, we should have followed up with a gradual program.

[Rospigliosi] Another problem is inflation. Have you resigned yourselves to a rate of 8.0 or 10.0 percent per month?
[Bolona] No. As a matter of fact, the rate of 3.3 percent during the first two weeks of the month was an important tendency.

[Rospigliosi] That level has been promised several times, but there have been several inflationary hiccups.
[Bolona] In 1991 there was a devaluation of 40 percent in April and May, and that caused the increase. In June we had the increase in the price of gasoline.

[Rospigliosi] But that was the result of government policy.
[Bolona] When the respective committees of Parliament did not approve the taxes which we had requested, and we had the problem of the teachers, we had to dip into our reserves to handle the payment of salaries.

[Rospigliosi] Can those problems happen again in the future?
[Bolona] I think that we had had a positive result regarding tax reform. The IGV [General Sales Tax] has been raised to a level near what was originally proposed.

[Rospigliosi] Most experts think that raising the General Sales Tax is going to bring in less revenue, because there is going to be more evasion of the tax.

[Bolona] Tax evasion has already reached its maximum level.

[Rospigliosi] So the idea is to continue squeezing the few people who pay?
[Bolona] The idea is to continue broadening the tax base. It has been broadened in terms of the type of products. People always talk about taxing people in the informal economy. However, that is going to bring in very little and takes time. If we think that there is much wealth there, this is an error. The problem is to bring into the legal economy many companies which now make half of their sales on the black market. To do that, we need a good tax administration, which recently has been reorganized.

[Rospigliosi] Why are you backing off from a simplified system for collecting the General Sales Tax?
[Bolona] Even if I were not economy and finance minister, I think that administratively we could have encountered the same problems in applying the General Sales Tax. That is why we have proposed waiting to apply it until the SUNAT [National Tax Authority] is up and running. That could have caused some problems, but a time frame has been decided on to apply it, and by doing this we can smooth the rough edges.

[Rospigliosi] In September the authority delegated for tax reform runs out. What new measures are you going to propose?
[Bolona] We have to reformulate the income tax system to provide for three rates and the smallest number of deductions possible. Now people are supposed to pay on the basis of very high rates. Therefore, almost no one is paying taxes. We are studying a tax on assets or company capital, which must be restructured.

We have to evaluate a series of taxes which bring in income but distort the economy, like the tax on debts.

[Rospigliosi] What can the teachers and other state employees expect in the future?
[Bolona] Offers have been made to the teachers, and I imagine that they should be close to an understanding.

[Rospigliosi] But is there not going to be a salary increase higher than the one proposed to them?
[Bolona] I think that we are in range of what is possible. I would have difficulty if there were significant, additional offers.

[Rospigliosi] And there will be no more increases in the gasoline taxes for the rest of 1991?
[Bolona] I believe that the prices charged by public enterprises will be adjusted in terms of the needs of the companies concerned, but that kind of adjustment should be smaller.

[Rospigliosi] Will the economy grow in 1991?
[Bolona] During the second half of 1990 we had very low levels of economic activity. Therefore, perhaps in 1991 there will be growth. However, this does not mean that

there is going to be an economic recovery. As to recovery in every sense over the next few months, no.

[Rospigliosi] Will there not be a recovery in the next few years either?

[Bolona] Economic stabilization is going to take two or two and one-half years. I do not mean that the economy will not grow, but neither are we going to devote ourselves only to growth. The word "stabilization" is going to remain a part of our lives. We cannot set it aside.

Uruguay

Lacalle Evaluates Recent Visit to Brazil

PY2009023691 Montevideo Radio Carve in Spanish 0000 GMT 20 Sep 91

[Excerpt] The president of the Republic called his recent visit to Brazil positive. The chief of state expressed great satisfaction over his talks with his counterpart Fernando Collor de Mello. He also said he was very pleased with the position adopted by Rio Grande do Sul State businessmen regarding Mercosur [Common Market of the South].

Evaluating his recent visit, President Lacalle said:

[Begin Lacalle recording] [passage indistinct] We have the impression that what is important to report to the country is our great enthusiasm because we realize the huge potential of Mercosur.

The south of Brazil, especially Rio Grande do Sul State, is undergoing a revolution due to Mercosur. We have contacted several Porto Alegre businessmen and have noticed their constant enthusiasm for Mercosur. Their enthusiasm is so overwhelming that it infected us. The Mercosur idea [words indistinct] ourselves as the great hope for our country in the future. [passage omitted]

BCCI-Linked Peruvian Officials Sought

PY1809233491 Montevideo EL PAIS in Spanish 12 Sep 91 p 22

[Excerpt] Uruguayan intelligence services are conducting a nationwide search for Leonel Figueroa (50), former president of Peru's Central Reserve Bank [BCR], and for Hector Neyra Chavari (40), former BCR general manager, who are suspected of fleeing to Uruguay from their country with the impressive amount of $145 million.

It is believed that Figueroa and Neyra were members of the Black Network [Red Negra], which is the name given to the clandestine operations division of the recently closed Bank of Credit and Commerce International [BCCI]. The BCCI performed services for mafia groups and international intelligence services alike and is considered to be the world's dirtiest bank.

Reliable sources have told EL PAIS that such a large amount of money could not have been introduced into the Uruguayan banking system without causing a strong shake-up. They have not ruled out, however, the possibility that the money could have been dispersed through various investments, which are now being investigated as the search for the two suspects continues. [passage omitted]

Communist Party Issues Declaration on Cuba

PY1809165491 Montevideo LA HORA POPULAR in Spanish 15 Sep 91 p 12

[Text] On 12 September, the Executive Committee of the PCU [Communist Party of Uruguay] issued a declaration, which we publish here:

"In view of the new events that have emerged in relations between Cuba and the USSR, the latter having decided to unilaterally withdraw Soviet military advisers, the PCU Executive Committee declares:

"1. That today more than ever, an immediate cessation of the U.S. blockade against Cuba is called for. Arguments do not exist that can justify this illegal and arbitrary measure, and less so at this time; the action is not even within the logic of the confrontation of blocs, which is bandied about by the U.S. Government. There is not the least justification because the blocs no longer exist.

"2. We call an alert to the warlike temptations of the United States, thus giving continuity to the imperialist aggressions against our countries. Warlike aggression against Cuba would not only be a dangerous adventure, but would also be an attack against all Latin American countries and our sovereignty.

"3. The sister republic of Cuba has the full right to fulill its destiny in a sovereign manner. The United States is maintaining a hypocritical course in its international policy. While it declares its support for the sovereignty of the USSR's member republics, it also applies a blockade, interferes with, and even threatens Cuba.

"4. At this very serious time, our party once again reiterates its solidarity with the Cuban people and government

"Montevideo, 12 September 1991."

The Executive Committee of the PCU.

Committe Meets, Discusses Democratic Progression

PY1809223791 Montevideo EL PAIS in Spanish 12 Sep 91 p 8

[Excerpts] Lawmakers from all sectors yesterday expressed their satisfaction over the presence of Defense Minister Mariano Brito, Defense Under Secretary Ignacio Risso, and Lieutenant General Guillermo de Nava, Lieutenant General Carlos Pache, and Vice Admiral James Coates, and the three Armed Forces commanders in chief, during a session of the Defense Committee of the Chamber of Deputies.

The lawmakers who attended the session praised the initiative, which was regarded as a formal visit. Broad Front Deputy Francisco Rodriguez Camusso noted that it is now possible to say: "In Uruguay, democracy is no longer under tutelage."

Minister Brito went even further. He emphasized that tutelage disappeared long ago. Minister Brito and Deputies Rodriguez Camusso and Garcia Pintos later spoke to journalists accredited to Congress.

[EL PAIS] Minister, Deputy Rodriguez Camusso told the press that as of today "democracy under tutelage" is a thing of the past, right?

[Brito] I fully agree. I have a small but important observation to make. I do not think this happened today, that is, there was no tutelage yesterday, or the day before yesterday either.

[EL PAIS] What will the next meetings be like?

[Brito] Like those of normal life, a permanent relation, like that which we have so far maintained. [passage omitted]

[EL PAIS] What is the Armed Forces' reaction to the current changes in the international situation?

[Brito] The Armed Forces respond to such changes through the decisions of the executive branch.

[EL PAIS] Mr. Minister, notwithstanding this meeting, some political sectors remain distrustful of operations like Unitas. Even members of the ruling party are against it. It is said that the operation can lead to dependence on hegemonic U.S. plans....

[Brito] As for those who are against the Unitas operation, we will have to wait for the result of the vote in Congress. I can tell you that the executive branch—which is seeking authorization for the operation—sees it as a repetition of what has been done for the past 32 years. It is a repetition and in no way does it imply or mean subjection to hegemonic attitudes. The executive branch has complied with the Constitution. It has requested congressional authorization. The executive branch will continue to observe the Constitution.... [passage omitted]

Venezuela

Students Protest, Clash With Police

PA1909154791 Madrid EFE in Spanish 0008 GMT 19 Sep 91

[Text] Caracas, 18 Sep (EFE)—On 18 September, Venezuelan students protested in several cities during which they clashed with police and torched vehicles. According to official sources, there were no wounded.

These incidents occurred several days after those registered last week in the industrial city of Maracaibo protesting the hike in transportation tariffs, fuel prices, and the government's general economic policy.

In Caracas, a group of 10 hooded individuals set fire to a bus belonging to the Metro company near the Central University of Venezuela, which was the scene of several skirmishes between the antiriot police and demonstrators.

In Valencia, 150 km west of Caracas, the students set fire to a chocolate factory truck and seized another that distributed cooking gas in the Barbula area, near the Carabobo University.

The regional police was deployed in the outskirts of the Valencia-Puerto Cabello highway to prevent the demonstrators from halting traffic.

In San Cristobal, 840 km southwest of Caracas, disturbances also took place near the University's Technological Institute, where demonstrators seized several vehicles, but these were subsequently returned.

Spokesmen of several university teachers and professors unions stated they will not initiate the new school year until the Education Ministry guarantees that it has the funds to pay the contracts currently in force.

The teachers claim that the ministry must obtain an additional $150 million credit to cover the budgets of the universities.

* Miguel Bello Predicts Caldera Candidacy

91SM0495B Caracas EL DIARIO DE CARACAS in Spanish 18 Aug 91 p 22

[Text] In the opinion of that analyst and political strategist, despite the fact that Eduardo Fernandez manages to garner a 28-percent rating in the polls, it is not enough to make him the next president. Bello is convinced that at the most recent Social Christian (COPEI) National Convention, it was of interest to no one that he was not a COPEI member, since delegates were worn out by the party core and coteries.

No longer is COPEI the same party that helped pave the way to democracy in Venezuela. It has apparently lost its way and has ended up with no important ideas or message. Its power in the streets is gone.

This is what emerges from statements made by strategist and once head of the presidential campaign of Luis Herrera Campins, Social Christian leader Miguel Bello, now head of the polling company known as Predictions. It is his opinion that the only man who can save his party is the organization's founder, Rafael Caldera.

That is why he believes that the candidacy of the senator-for-life is irreversible, even if he has not invested a single cent in posters or promotional advertising. Furthermore, without even saying he will be a candidate, he does very well in the polls.

He emphasizes that, for his part, Fernandez appears in some polls with 28 percent, which does not guarantee any victory for any presidential candidate, particularly when there will be two or three such candidates.

Disinformation

"At the present time, what determines the political environment is the economic situation. There is no other way to think. One serious mistake is always made by those running neck-and-neck in politics: They think that all people are politically informed, when people are in fact very poorly informed. To put it in more understandable terms, people do not stop politics," the political analyst says.

He added that a man from the people does not know what goes on in partisan coteries or cores, but only what happens at the local grocery store or bar. That is why he believes the past COPEI National Convention was of no interest to the people because "it does not count. There is a kind of fatigue or skepticism."

Given his experience as a pollster and analyst, he said that opinion polls reflect ever larger groups of those who are not interested in political activity and do not want to participate in it. He justifies the reaction of common citizens by the message of politicians, their expressions, and the issues they touch upon, referring to the little interest in matters at hand.

"Rather than a distortion of political reality, it is a misconception on the part of politicians of what politics or involvement in such activity is," he emphasized.

He stressed that in Venezuela, there is no politics or party directly involved in the fight against speculation. He criticized Eduardo Fernandez because he is only concerned about what benefits blue-collar workers receive, without seeing that the price of PAN [National Food Program] flour is rising, as is that of milk and butter.

Concerning the lack of discipline in parties, Bello maintains that, given the internal circumstances in political organizations, candidates are chosen by traumatic means that lead many members to vote for candidates from other parties because their own representative is their enemy. He admits that there are internal factions that are closer to the opposing party than they are to comrades from the same organization.

On the open election proposal passed by COPEI, he agreed with Rafael Caldera that it is tempting, but thinks that behind it is a whole series of doubts and facts that cause political analysts to wonder why Fernandez made the proposal and in that way.

Different Party

Concerning the current situation in the "green tent," Bello now thinks there is a party of Eduardo Fernandez that is not COPEI, for it has no specific issues or important ideas. Nor does it have any message or presence in the streets and it is lacking in firm ideological struggles.

He argues that the only known message of the new COPEI is: "We are going to win," as if it were a magic slogan and about which he went into lengthy detail.

He called attention to the suitability of raising the election level to one of seriousness, study, preparation, propositions, and analysis, due to the enormous anguish now being experienced by the country.

Caldera vs Fernandez

When asked about Caldera's presence in the country, he said the senator-for-life is a real election phenomenon. In order to come to such a conclusion, he mentioned his action in terms of maintaining a real presidential option in all the polls.

"Caldera has not spent a cent on radio, much less television. He has not even said he will be a candidate. He has not even received the support of political parties that will certainly support him or of many prominent persons who will support him, support that is there. Even though he is not a candidate, he appears in all the polls," he said.

Which is why he thinks that: "The general secretary has tried to fill a leadership gap that he has not done to the satisfaction of the country."

Further on, he said: "Eduardo Fernandez' candidacy is soft and he has demonstrated it. In the most recent results and in all poll results, Eduardo earns percentages that do not make him the winner," Bello observed.

When asked about the fact that in some polls, Caldera does not come in first, he responded: "Caldera would be a genius if he came in first without putting up a single poster, without any promotion, and without saying he is a candidate."

Election Prospects

Bello analyzes Fernandez' election prospects based on the surveys: "How does Eduardo intend to win the elections with the percentages given by the polls: 28, 18, and 15? What president has won with such figures? In 1973, Carlos Andres Perez [CAP] won with 49 percent and Lusinchi won with 56. In 1988, CAP won with 52 percent."

He explained that in a universe of three candidates, a simple arithmetic calculation enables one to say that the least the winner can obtain is 35 percent of the votes, which Fernandez has not yet done in any poll. "I think that is the source of Eduardo's anguish, which is why he issued the challenge of offering an open system to choose the candidate."

In addition, Bello pointed out the support that MAS [Movement Toward Socialism] will give Caldera, emphasizing that the founding leader cannot reject it.

"Rafael Caldera's candidacy is already emerging as a phenomenon. He is in all the polls. Nevertheless, he will have the support of many COPEI and AD [Democratic Action] members. Whoever the candidate is, he will not satisfy all the AD members, who are fighting tooth and nail. Caldera will pull along many independents. He will receive the support of leftist parties, which will undoubtedly have an opportunity to show seriousness. We cannot bind a personage like Rafael Caldera," he says.

He suggests that COPEI members are aware of what is happening in their organization: "The party has declined in all the unions, universities, and schools. In short, this party has changed."

Concerning the results of 1988, with Fernandez boasting of obtaining 40 percent of the votes, Bello said that on that occasion, Fernandez won by a very narrow margin in Lara and Yaracuy. He did not hesitate to state that Caldera's candidacy is practically an irreversible fact.

Guyana

Hoyte Says PNC Open to Electoral Alliances

FL1909124091 Bonaire Trans World Radio in English 1130 GMT 19 Sep 91

[Text] Guyanese President Desmond Hoyte says his party is open to electoral alliances with other parties. Mr. Hoyte says some discussions have been held about this but that no agreement has yet been reached.

More than 14 parties are registered for the upcoming Guyanese elections, most of them of minor strength. Mr. Hoyte says he sees this as a contest between his People's National Congress [PNC] Party and the opposition People's Progressive Party.

Sugar Workers Union To Fight Privatization

FL1609131491 Bridgetown CANA in English 1721 GMT 15 Sep 91

[Text] Georgetown, Guyana, Sept 15, CANA—The main trade union representing workers of the Guyana Sugar Corporation (Guysuco) has declared its opposition to a government plan to privatize the company.

The opposition-affiliated Guyana Agricultural and General Workers Union (GAWU) called on its members to be prepared to protest the decision announced last week by President Desmond Hoyte.

Under the divestment plan announced by Hoyte, Guysuco workers will be given an opportunity to purchase shares in the company. The government said it would retain a small role in the ownership of the company.

In a statement, GAWU said it was "astounded" to learn of the impending divestment of Guysuco. The union also said that it was never consulted, or provided with information about the deal.

"The union calls on the workers to be prepared to protest against any sell-out of the industry's assets and wishes to inform workers that "massa days" will return unless they remain steadfast", the statement said.

"The union is very concerned about any secret deal which will certainly jeopardise workers' rights. Already, the union, the workers and the Guyanese public are deprived of information in relation to the cost of management contract with Booker Tate", the statement added.

Sugar is an important foreign exchange earner for Guyana. In a move to improve the industry's efficiency, the government last year contracted the British company Booker Tate to take over management of the industry.

Booker Tate, which owned the sugar industry here prior to its nationalization in the seventies by the administration of the late President Forbes Burnham, has expressed an interest in purchasing shares in Guysuco.

GAWU rejected the idea of sugar workers being able to buy shares in Guysuco. Under existing economic conditions, workers were too poor to purchase any significant shares in the industry, the union said.

Guyana, plagued by a declining economy for several years, is undergoing adjustment under International Monetary Fund (IMF) supervision in the hope of turning around its economic fortunes.

Trade Unions Reject Pay Increase Offer

FL1909225491 Bridgetown CANA in English 2135 GMT 19 Sep 91

[Text] Georgetown, Guyana, Sept 19, CANA—Trade unions staged a picket outside the Finance Ministry in Georgetown to protest a 20 per cent pay increase the government gave public sector workers last week. The unions said they were contemplating a protest march, rally and a general strike.

Among the unions backing the picket was the Guyana Agricultural Workers Union, whose president, Komal Chand, said more protests were planned. The unions say the pay increase is too small.

President Desmond Hoyte had promised a substantial wage hike for workers earlier this year, but only recently said that the increase would be substantial in the context of increases in other Caribbean community states.

Suriname

President Venetiaan Swears In New Cabinet

FL1809152791 Bonaire Trans World Radio in English 1130 GMT 18 Sep 91

[Text] Suriname's newly inaugurated President Ronald Venetiaan has sworn in his new cabinet. Only 12 of the 16 were present at the ceremony. Two of them could not be sworn in for some reason regarding their appointment and two more have not been approached by the members of Mr. Venetiaan's New Front coalition. Surinamese human rights activist Stanley (Wrench) says he would like to see Mr. Venetiaan move quickly to investigate abuses that he claims were committed by the Surinamese Army.

President Names 12 Cabinet Members, 4 Pending

PY1809191091 Paramaribo Radio Suriname International in English 1730 GMT 18 Sep 91

[Text] Twelve of the 16 members of the new council of ministers were yesterday sworn in by President Ronald Venetiaan. The installation of the ministers took place in the Reformers Church, in the heart of Paramaribo.

President Venetiaan mentioned yesterday administrative problems as the cause for the fact that the ministers of planning and international cooperation, and transport, communication, and tourism were not sworn in. These ministries are new and have to be formally installed first before the ministers can be installed, said Venetiaan.

The appointments of ministers to the Ministry of Agriculture, Animal Husbandry, and Fisheries, and the Ministry of Economic Affairs did also not take place yesterday because the New Front partners couldn't agree on the candidates. Long discussions about the presentation of candidates for these two posts caused the ceremony yesterday to begin two and a half hours later than planned.

Among the ministers sworn in yesterday are New Front leader Willy Soemita, the faction leader of the New Front in the National Assembly, a public prosecutor, and some former ministers.

President Ronald Venetiaan expects that the cabinet will be complete by today or tomorrow and has called on the ministers already installed to settle down to hard work. It is not an unimpeachable cabinet which in the coming period is faced with solving the many problems in the country.

Top politicians have to our news room expressed disappointment with the fact that New Front leader Willy Soemita is part of the new council of ministers. Soemita was in the beginning of the 80's sentenced to an imprisonment after having been found guilty of corruption during a previous government term. During the election campaign of the New Front, much emphasis was placed on the aspect of clean government, and especially New Front partner SPA [Social Democratic Party] had expressed its commitment to this principle. Top politicians from this party, however, said to receive little or no support from the other three parties, NPS [Suriname National Party], VHP [Progressive Reform Party], and KTPI [Party for National Unity and Solidarity] when it came to appointing candidates for minister's post. Soemita is chairman of the political party KTPI. The SPA finally decided not to make this a principle issue to present unsolvable contradictions within the combination, said the politicians. They are of the opinion that the cabinet has not made a very good start.

New Council of Ministers Holds First Meeting

PY1909191991 Paramaribo Radio Suriname International in English 1730 GMT 19 Sep 91

[Text] The new Council of Ministers held its first meeting yesterday under the leadership of President Ronald Venetiaan and Vice President Jules Ajodhia.

The members of the Council of Ministers, which is still incomplete, also yesterday took over the leadership of the various Ministries. It is not yet known when the remaining four ministers will be named.

The cabinet will in the coming period make an analysis of the situation at the different ministries and the policy which was carried out in the past month.

Amending the Constitution and the fight against poverty and drug trade are other issues mentioned in the inaugural address by President Ronald Venetiaan.

Further, it is expected that the cabinet will start speedy discussions with Holland on the tightening of relations and the continuation of the development of cooperation.

Socialization of National Army Sought

PY1909192191 Paramaribo Radio Suriname International in English 1730 GMT 19 Sep 91

[Text] The current government will continue the policy of socialization of the National Army. This was stated yesterday by Defense Minister (Fis Mitchel) who took over the leadership of the ministry from outgoing minister Rupert Christopher.

The new minister remarked that there must be a speedy change in the manner in which the community speaks and thinks about the Army. The outgoing minister Rupert Christopher said at the transfer that the Army will at all times respect the Constitution, and assured his successor that he will have at his disposal a professional Army with a high morale.

Christopher, who is a soldier himself, is expected to return to the cabinet of the military authority. The top officers of the Army who were also present at the transfer yesterday expressed support to the new minister and hoped that there will be good cooperation.

Netherlands Offers Support to New Government

PY1809192091 Paramaribo Radio Suriname International in English 1730 GMT 18 Sep 91

[Text] There doesn't seem an unanimous standpoint in Holland on the form of support to be given to the new cabinet in Suriname.

Dutch Queen Beatrix yesterday said in a radio speech that Suriname can count on support in its effort to develop democracy, welfare, and the constitutional state. Holland is willing to discuss tighter relations with Suriname, said the queen. The budget of the Ministry of Development Cooperation however speaks a different language. Minister Jan Pronk in the budget demands drastic reforms of the economy before the development cooperation can be resumed. The Dutch Minister of State Max van der Stoel speaks of an association agreement with Suriname. The country should, however, carry out several measures including devaluation, mass layoff of workers, privatization of state companies, and restructuring of the Army, said Van der Stoel. He has discussed this with different Surinamese Government officials. President Ronald Venetiaan has during a speech remarked that the restructuring program can only be carried out successfully if it is supported by the main functional groups in the country.

Foreign Delegations Seek Tighter Relations

PY1909215191 Paramaribo Radio Suriname International in English 1730 GMT 19 Sep 91

[Text] Representatives of different countries have, during discussions with President Ronald Venetiaan, expressed the wish to have tighter relations with Suriname.

The Japanese Ambassador Jutaro Sakamoto has, during a meeting with the head of state, donated $300,000 for culture activities.

Japan is further willing to finance the second phase of the mini- fishery projects in the Commewijne district to the tune of $5 million, said the Japanese diplomat.

Also, the Swiss representative, Peter Disci did not come empty-handed. He pledged his government's support for different projects and mentioned [words indistinct]

The ambassador of the Republic of Korea said during a meeting with Venetiaan that his government is willing to finance its study regarding the expansion of the energy potential in Suriname.

Also, the leader of the Cuban delegation, who was here for the swearing in activities, wants to have improved relations with Suriname. He proposed to strengthen the ties at the ambassadorial level, and also of a Cuban technical assistance in different fields.

A great part of the foreign delegations have already returned home.

The Dutch Minister of State Max Van Der Stoel is returning to his country with the message that Suriname wants to have closer cooperation with Holland. Van Der Stoel was in Suriname for some days for the inauguration of the president, vice president, and council of ministers. During his stay in Suriname, he held talks with the new government and the leaders of the political combination New Front. Van Der Stoel says that he agrees with the standpoints of President Ronald Venetiaan, who said that cooperation between Suriname and Holland has to take place on the basis of equality and mutual respect. The Dutch minister of state however said that a number of conditions will have to be fulfilled by Suriname before development cooperation between the two countries could be resumed. Drastic economic measures are the important conditions and Holland also wants to see the drug trade under control and cooperation in the military field, said Van Der Stoel. The (?stringent) economic measures will also form the basis of what Holland calls an association agreement. Van Der Stoel calls the agreement a gift from the Dutch Government to the democratically elected government in Suriname. From his utterances it is, however, clear that this gift will not be handed over as long as Suriname does not carry out a drastic economic adjustment program. Van Der Stoel returned to Holland yesterday.